

ANNUAL BUDGET OF

ELUNDINI LOCAL MUNICIPALITY



2017/18 TO 2019/20
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

| | | | |
|--------|--|-------|---|
| AMR | Automated Meter Reading | ℓ | litre |
| ASGISA | Accelerated and Shared Growth Initiative | LED | Local Economic Development |
| BPC | Budget Planning Committee | MEC | Member of the Executive Committee |
| CBD | Central Business District | MFMA | Municipal Financial Management Act Programme |
| CFO | Chief Financial Officer | MIG | Municipal Infrastructure Grant |
| CM | City Manager | MMC | Member of Mayoral Committee |
| CPI | Consumer Price Index | MPRA | Municipal Properties Rates Act |
| CRRF | Capital Replacement Reserve Fund | MSA | Municipal Systems Act |
| DBSA | Development Bank of South Africa | MTEF | Medium-term Expenditure Framework |
| DoRA | Division of Revenue Act | MTREF | Medium-term Revenue and Expenditure Framework |
| DWA | Department of Water Affairs | NERSA | National Electricity Regulator South Africa |
| EE | Employment Equity | NGO | Non-Governmental organisations |
| EEDSM | Energy Efficiency Demand Side Management | NKPIs | National Key Performance Indicators |
| EM | Executive Mayor | OHS | Occupational Health and Safety |
| FBS | Free basic services | OP | Operational Plan |
| GAMAP | Generally Accepted Municipal Accounting Practice | PBO | Public Benefit Organisations |
| GDP | Gross domestic product | PHC | Provincial Health Care |
| GDS | Gauteng Growth and Development Strategy | PMS | Performance Management System |
| GFS | Government Financial Statistics | PPE | Property Plant and Equipment |
| GRAP | General Recognised Accounting Practice | PPP | Public Private Partnership |
| HR | Human Resources | PTIS | Public Transport Infrastructure System |
| HSRC | Human Science Research Council | RG | Restructuring Grant |
| IDP | Integrated Development Strategy | RSC | Regional Services Council |
| IT | Information Technology | SALGA | South African Local Government Association |
| kℓ | kilolitre | SAPS | South African Police Service |
| km | kilometre | SDBIP | Service Delivery Budget Implementation Plan |
| KPA | Key Performance Area | SMME | Small Micro and Medium Enterprises |
| KPI | Key Performance Indicator | | |
| kWh | kilowatt | | |

Part 1 – Annual Budget

1.1 Mayor's Report

In his Budget Speech to Parliament on 23 February 2017, the Minister of Finance said: We are once again at the crossroads. Tough choices have to be made to achieve the developmental outcomes we seek.

- Economic growth is too slow, unemployment is far too high and many businesses and families are under stress.
- We face an uncertain and complex global environment.
- At the same time we face immense transformation challenges – we must overcome the inequalities and divisions of our society. All South Africans must share in a more prosperous future.
- Change is difficult, and often contested. In these tough times we draw strength from the resilience and the diverse capabilities of our people, our business sector, our unions and our social formations.
- Therefore Elundini municipality is not immune to what has been said above, within our limited resources as Elundini municipality we must strive to achieve excellence in changing people's lives.

The application of sound financial management principles for the compilation of the Elundini municipality's financial plan is essential and critical to ensure that Elundini municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

The Municipality reaffirms its commitment to the achievement of the goals enshrined within the Integrated Development Plan, namely:

- Accelerate service delivery and infrastructure development
- Promote economic growth, environmental sustainability and creation of decent jobs
- To improve the effectiveness of governance administrative and financial systems

In the year ahead, the Municipality will further strengthen its capacity to implement the adopted Budget, so as to positively impact on the lives of residents.

The newly elected Council of Elundini is fully aware of service delivery backlog that has confronted our people over the years. The slow rate of economic growth, coupled with other competing demands has put additional strain to the national fiscus. Rural municipalities that rely on government grants are likely to suffer the most due to reductions in allocations from the national fiscus.

This budget has prioritized service delivery and is thus, responsive to the needs of our communities. Our communities has entrusted us with improving their lives over the next 5 year and our intention is to deliver to the best of our abilities. The following key priorities are highlighted:

- Our internal roads are an integral part of our economic development initiatives. R43.9 million has been appropriated towards roads infrastructure for the 2017/18 financial year. This allocation is R139.4 million over the MTREF;
- R30.6 million has been sourced from the Office of the Premier. This is towards revitalization of small towns;
- R4.5 million has also been appropriated towards electrification of some of our communities and this budget is likely to increase by R14.2 million over the MTREF. This is over and above the R30 million (R92.1 million over the MTREF) included in our operating budget that we have received from the Department of Energy in order to provide access to electricity in the rural villages
- R6.2 million has been allocated towards Free Basic Services in respect of electricity and refuse removal. Our municipal area is confronted with high levels of unemployment.

We continue to engage our stakeholders such as Human settlement, Health, Public Works and Education with the view to accelerated service delivery.

One of the biggest reform introduced by the National Treasury is the Municipal Standard Chart of Accounts (m-SCOA). This reform has changed the way we plan as municipalities. It is hoped that this reform will deliver on its intended objectives of stream-lining financial management and enhance planning and accountability.

I would also like to thank the community for their involvement during this budget process. My executive committee was also my pillar of strength throughout this process. Last, but not least, my gratitude goes to the Municipal Manager and his team for the undying support gave to us, the political leadership.

COUNCILLOR N.LENGS

JUNE 2017

1.2 Council Resolutions

On 15 June 2017 the Council of Elundini Municipality met in the Council Chambers of Elundini Municipality to consider the annual budget of the municipality for the financial year 2017/18. The Council approved and adopted the following resolutions:

1. The Council of Elundini Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table A6
 - 1.2.2. Budgeted Cash Flows as contained in Table A7
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
 - 1.2.4. Asset management as contained in Table A9
 - 1.2.5. Basic service delivery measurement as contained in Table A10
2. The Council of Elundini Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017:
 - 2.1. the tariffs for property rates – as set out in 1.4.6
 - 2.2. the tariffs for electricity – as set out in 1.4.6
 - 2.3. the tariffs for solid waste services – as set out in 1.4.6
3. The Council of Elundini Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017 the tariffs for other services, as set out in the tariff list attached.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing revenue enhancement strategy to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 85 and 86 were used to guide the compilation of the 2017/18 MTREF.

The main challenges experienced during the compilation of the 2017/18 to 2019/2020 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Inadequate resources to reduce roads and electricity infrastructure backlogs;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Salary budget increases for municipal staff due to a critical need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:

- The 2016/17 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2017/18 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- There's also a budget allocation set for the following items:
 - Special Projects;

- Consultant Fees;
- Furniture and office equipment;
- Special Events;
- Refreshments and entertainment;
- Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table A1 Consolidated Overview of the 2017/18 MTREF

| R thousand | Adjustments Budget 2016/17 | Budget Year 2017/18 | Budget Year 2018/19 | Budget Year 2019/20 |
|-----------------------------|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Total Operating Revenue | 326.4m | 346.9 m | 366.6m | 387.2m |
| Total Operating Expenditure | 304.5m | 328.9m | 347.7m | 367.1m |
| (Surplus)/Deficit | 64.1m | 88.1m | 93.2m | 98.4m |
| Total Capital Expenditure | 64.1m | 88.1m | 93.2m | 98.4m |

Total operating revenue has grown by 6 per cent or R20.5 million for the 2017/18 financial year when compared to the 2016/17 Adjustments Budget and the total equates to R346.9 million. For the two outer years, operational revenue will increase by 5 per cent respectively.

Total operating expenditure for the 2017/18 financial year has been appropriated at R328.9 million and translates into a budgeted surplus of R88.1 million. When compared to the 2016/17 Adjustments Budget, operational expenditure has grown by 7 per cent in the 2017/18 budget and by 5 percent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R93.2 million and then R98.4 million. These surpluses will be used to fund capital expenditure.

The capital budget of R88.1 million for 2017/18 has increased by 27 per cent when compared to the 2016/17 Adjustment Budget. The increase is due to various projects that will be implemented in 2017/2018 financial year. The capital programme increases to R93.2 million in the 2018/19 financial year and R98.4 million in 2019/20. A substantial portion of the capital budget will be funded from government grants from National and Provincial Treasury over the MTREF. The balance will be funded from internally generated funds.

1.4 Operating Revenue Framework

For Elundini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

| Description | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | |
| Property rates | – | – | – | 16 119 | 17 673 | 17 673 | 20 635 | 18 804 | 19 876 | 20 989 |
| Service charges - electricity revenue | – | – | – | 24 586 | 22 928 | 22 928 | 19 177 | 24 320 | 25 706 | 27 145 |
| Service charges - water revenue | – | – | – | – | – | – | – | – | – | – |
| Service charges - sanitation revenue | – | – | – | – | – | – | – | – | – | – |
| Service charges - refuse revenue | – | – | – | 4 748 | 4 675 | 4 675 | 3 901 | 2 744 | 2 900 | 3 063 |
| Service charges - other | | | | – | – | – | – | – | – | – |
| Rental of facilities and equipment | | | | 14 379 | 8 094 | 8 094 | 1 151 | 1 500 | 1 586 | 1 675 |
| Interest earned - external investments | | | | 1 443 | 1 500 | 1 500 | 3 364 | 1 596 | 1 687 | 1 781 |
| Interest earned - outstanding debtors | | | | 1 414 | 1 785 | 1 785 | 1 520 | 1 899 | 2 007 | 2 120 |
| Dividends received | | | | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | | | 85 | 179 | 179 | 57 | 109 | 116 | 122 |
| Licences and permits | | | | 1 691 | 3 963 | 3 963 | 1 942 | 2 418 | 2 556 | 2 699 |
| Agency services | | | | 1 652 | – | – | – | – | – | – |
| Transfers and subsidies | | | | 148 329 | 154 493 | 154 493 | 150 464 | 169 215 | 175 443 | 169 607 |
| Other revenue | – | – | – | 80 355 | 110 809 | 110 809 | 2 407 | 123 982 | 134 466 | 157 657 |
| Gains on disposal of PPE | | | | | 315 | 315 | 41 | 335 | 354 | 374 |
| Total Revenue (excluding capital transfers and contributions) | – | – | – | 294 801 | 326 414 | 326 414 | 204 659 | 346 923 | 366 697 | 387 233 |

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Our total revenue mix comprises of revenue generated from rates and services charges which are Electricity and solid waste and other revenue derived from rentals, plant income investment income and others.

1.4.1 Property rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

Revenue generated from Property Rates totals to R18.8 million for 2017/2018 financial year and has increased by 6% when compared with 2016/2017 adjusted budget and it increases to R19.8 million and R20.9 million for 2018/2019 and 2019/2020 respectively.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2017/18 financial year based on a 10 per cent increase from 1 July 2017 is contained below:

1.4.2 Revenue from Services

Electricity

Electricity and Solid waste services are the main revenue sources for the municipality.

Revenue generated from **Electricity** totals to R27 million for 2017/2018 financial and increases to R28.6 million and R30.2 million for outer years. NERSA has announced the revised bulk electricity pricing structure. A 1.88 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2017.

Considering the Eskom increases, the consumer tariff had to be increased by .31 per cent to offset the additional bulk purchase cost from 1 July 2017. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

Currently Electricity is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of Electricity function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

Solid Waste

Revenue generated from **Solid waste** totals to R2.7 million for 2017/2018 financial year and increases to R2.9 million and R3 million for the two outer years. It must also be noted that an amount of free basic refuse has been reduced from the total revenue expected from refuse removal.

Both of these services are operating at a loss, the revenue derived from these services is unable to cover expenditure in relation to these services. It is important that the municipality should consider come up with a cost recovery strategy to ensure that they are cost reflective. Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case.

The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

1.4.3 Other Revenue

Other sources of revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, investment income and interest from

debtors. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

1.4.5 Operating Grants

Operating grants and transfers totals R169.2 million in the 2017/18 financial year and steadily increases to R175.4 million by 2018/19 and R169.6 million by 2019/2020. Note that the year-on-year growth for the 2017/18 financial year is 9 per cent and then remains to 5 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table SA18 Operating Transfers and Grant Receipts

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | - | - | - | 147 673 | 149 743 | 149 743 | 168 465 | 174 649 | 168 769 |
| Local Government Equitable Share | | | | | 129 070 | 129 070 | 129 070 | 134 116 | 137 949 | 139 913 |
| Finance Management | | | | | 1 625 | 1 625 | 1 625 | 1 700 | 1 700 | 1 700 |
| Municipal Systems Improvement | | | | | 930 | | | | | |
| EPWP Incentive | | | | | 1 548 | 1 548 | 1 548 | 2 649 | - | - |
| Integrated National Electrification Programme | | | | | 14 500 | 17 500 | 17 500 | 30 000 | 35 000 | 27 156 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| Provincial Government: | | - | - | - | 656 | 4 750 | 4 750 | 750 | 794 | 838 |
| Sport and Recreation | | | | | 656 | 750 | 750 | 750 | 794 | 838 |
| Other transfers/grants [insert description] | | | | | | 4 000 | 4 000 | | | |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Total Operating Transfers and Grants | 5 | - | - | - | 148 329 | 154 493 | 154 493 | 169 215 | 175 443 | 169 607 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | - | - | - | 37 250 | 42 250 | 42 250 | 39 587 | 41 731 | 43 993 |
| Municipal Infrastructure Grant (MIG) | | | | | 37 250 | 42 250 | 42 250 | 39 587 | 41 731 | 43 993 |
| INEP | | | | | - | - | - | | | |
| Provincial Government: | | - | - | - | - | - | - | 30 635 | 26 442 | 20 921 |
| Other capital transfers/grants [insert description] | | | | | | | | 30 635 | 26 442 | 20 921 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Total Capital Transfers and Grants | 5 | - | - | - | 37 250 | 42 250 | 42 250 | 70 222 | 68 173 | 64 914 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | - | - | - | 185 579 | 196 743 | 196 743 | 239 437 | 243 616 | 234 521 |

1.4.6 Tariff-Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The table below indicates the tariffs increases as per circular No. 86 and Nersa guidelines in tariff determination.

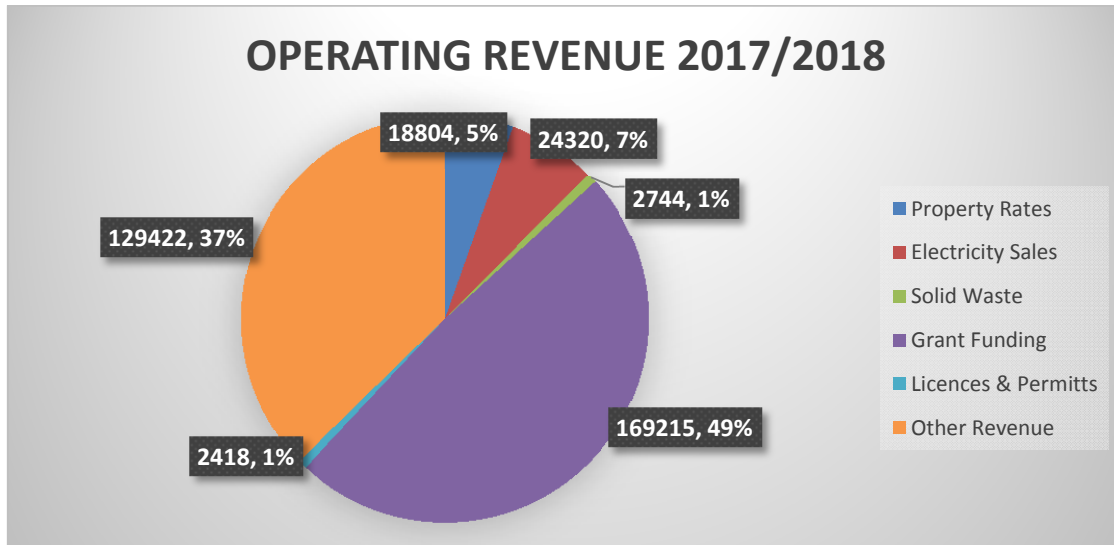
| Catergory | 2016/2017 Budget Year | 2017/2018 Budget Year | 2018/2019 Budget Year | 2019/2020 Budget Year |
|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Property Rates | | 6.4% | 5.7% | 5.6% |
| Electricity | | 1.88% | 5.7% | 5.6% |
| Solid waste | | 6.4% | 5.7% | 5.6% |

The following table compares **Solid Waste's** current and proposed amounts payable from 1 July 2017 with previous year's tariffs:

| Refuse Removal - Per Month | 2016/2017 | 2017/2018 |
|---|------------------|------------------|
| Households | R105.80 | R 112.57 |
| Business | R220.00 | R 223.44 |
| Townships | R43.50 | R 46.38 |
| Loads per removal Business & Refuse garden | R319.73 | R 340.20 |
| Building Rubble per Load | R592.09 | R 629.99 |
| Use of refuse site where the public off load refuse - Price is per cubic meter(Prepaid Coupon) | R28.78 | R 30.62 |
| Illegal Dumping- Fine | R3 836.80 | R 4 082.36 |

Electricity's current and proposed amounts that will be payable from 1 July 2017 are detailed on the tariff list which will be approved as the budget related document.

The following graph gives a breakdown of the main revenue sources for the 2017/18 financial year.



1.4.7 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table SA14 – Household bills

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 % incr. | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Rand/cent | | | | | | | | | | | |
| Monthly Account for Household - 'Middle Income Range' | 1 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | | | | 58.80 | 58.80 | 58.80 | 6.4% | 62.56 | 66.13 | 69.83 |
| Electricity: Basic levy | | | | | 121.67 | 121.67 | 121.67 | 1.9% | 129.46 | 136.84 | 144.50 |
| Electricity: Consumption | | | | | - | - | - | - | - | - | - |
| Water: Basic levy | | | | | - | - | - | - | - | - | - |
| Water: Consumption | | | | | - | - | - | - | - | - | - |
| Sanitation | | | | | - | - | - | - | - | - | - |
| Refuse removal | | | | | 105.79 | 105.79 | 105.79 | 6.4% | 112.56 | 118.98 | 125.64 |
| Other | | | | | - | - | - | - | - | - | - |
| sub-total | | - | - | - | 286.26 | 286.26 | 286.26 | 6.4% | 304.58 | 321.94 | 339.97 |
| VAT on Services | | | | | 31.84 | 31.84 | 31.84 | 6.4% | 33.88 | 35.81 | 37.81 |
| Total large household bill: | | - | - | - | 318.10 | 318.10 | 318.10 | 6.4% | 338.46 | 357.75 | 377.78 |
| % increase/-decrease | | | | | - | - | - | | 6.4% | 5.7% | 5.6% |
| Monthly Account for Household - 'Affordable Range' | 2 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | | | | 58.80 | 58.80 | 58.80 | 6.4% | 62.56 | 66.13 | 69.83 |
| Electricity: Basic levy | | | | | 121.67 | 121.67 | 121.67 | 1.9% | 129.46 | 136.84 | 144.50 |
| Electricity: Consumption | | | | | - | - | - | - | - | - | - |
| Water: Basic levy | | | | | - | - | - | - | - | - | - |
| Water: Consumption | | | | | - | - | - | - | - | - | - |
| Sanitation | | | | | - | - | - | - | - | - | - |
| Refuse removal | | | | | 105.79 | 105.79 | 105.79 | 6.4% | 112.56 | 118.98 | 125.64 |
| Other | | | | | - | - | - | - | - | - | - |
| sub-total | | - | - | - | 286.26 | 286.26 | 286.26 | 6.4% | 304.58 | 321.94 | 339.97 |
| VAT on Services | | | | | 31.84 | 31.84 | 31.84 | 6.4% | 33.88 | 35.81 | 37.81 |
| Total small household bill: | | - | - | - | 318.10 | 318.10 | 318.10 | 6.4% | 338.46 | 357.75 | 377.78 |
| % increase/-decrease | | | | | - | - | - | | 6.4% | 5.7% | 5.6% |
| Monthly Account for Household - 'Indigent' Household receiving free basic services | 3 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | | | | 58.80 | 58.80 | 58.80 | 6.4% | 62.56 | 66.13 | 69.83 |
| Electricity: Basic levy | | | | | 121.67 | 121.67 | 121.67 | 6.4% | 129.46 | 136.84 | 144.50 |
| Electricity: Consumption | | | | | - | - | - | - | - | - | - |
| Water: Basic levy | | | | | - | - | - | - | - | - | - |
| Water: Consumption | | | | | - | - | - | - | - | - | - |
| Sanitation | | | | | - | - | - | - | - | - | - |
| Refuse removal | | | | | 105.79 | 105.79 | 105.79 | 6.4% | 112.56 | 118.98 | 125.64 |
| Other | | | | | - | - | - | - | - | - | - |
| sub-total | | - | - | - | 286.26 | 286.26 | 286.26 | 6.4% | 304.58 | 321.94 | 339.97 |
| VAT on Services | | | | | 31.84 | 31.84 | 31.84 | #NAME? | 33.88 | 35.81 | 37.81 |
| Total small household bill: | | - | - | - | 318.10 | 318.10 | 318.10 | 6.4% | 338.46 | 357.75 | 377.78 |
| % increase/-decrease | | | | | - | - | - | | 6.4% | 5.7% | 5.6% |

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

Table A4 Summary of operating expenditure by standard classification item

| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
|-----------------------------|------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|-------------------|---------------------|------------------------|------------------------|
| Expenditure By Type | | | | | | | | | | | |
| Employee related | 2 | - | - | - | 84 771 | 78 777 | 78 777 | 63 897 | 91 241 | 96 442 | 101 843 |
| Remuneration of councillors | | | | | 11 541 | 13 982 | 13 982 | 8 607 | 10 589 | 11 192 | 11 819 |
| Debt impairment | 3 | | | | 10 331 | 20 001 | 20 001 | 7 485 | 9 000 | 9 513 | 10 046 |
| Depreciation | 2 | - | - | - | 45 736 | 45 736 | 45 736 | - | 48 663 | 51 437 | 54 317 |
| Finance charges | | | | | 22 | 50 | 50 | - | 53 | 56 | 59 |
| Bulk purchase | 2 | - | - | - | 23 674 | 24 040 | 24 040 | 17 673 | 24 785 | 26 198 | 27 665 |
| Other material | 8 | | | | 16 642 | 16 492 | 16 492 | 7 819 | 21 076 | 22 278 | 23 525 |
| Contracted services | | - | - | - | 2 541 | 10 348 | 10 348 | 4 099 | 13 836 | 14 625 | 15 444 |
| Transfers and subsidies | | - | - | - | 5 701 | 5 911 | 5 911 | 5 088 | - | - | - |
| Other expenditure | 4, 5 | - | - | - | 77 718 | 89 193 | 89 193 | 47 438 | 109 724 | 115 978 | 122 473 |
| Loss on disposal of PPE | | | | | | | | | - | - | - |
| Total Expenditure | | - | - | - | 278 678 | 304 530 | 304 530 | 162 106 | 328 967 | 347 718 | 367 190 |

1.5.1 Employee Related Costs

The budgeted allocation for employee related costs for the 2017/18 financial year totals R91.2 million, which equals 28 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 7.36 per cent for the 2017/18 financial year. An annual increase of 6.7 per cent has been included in the two outer years of the MTREF. As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized upwards. As part of the planning assumptions and interventions all vacancies were originally included from the budget and a report was compiled by the Corporate Services Department relating to the prioritization of critical vacancies within the Municipality. The

outcome of this exercise was the inclusion of R12.4 million in the 2017/18 financial year relating to critical and strategically important vacancies.

1.5.2 Remuneration of Councilors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Budget appropriation in this regard totals to R10.6 million and equates to 3 percent of the total operating expenditure.

1.5.3 Debt impairment Provision

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the 2017/18 financial year this amount equates to R9 million (3 percent) and escalates to R10 million by 2019/20. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

1.5.4 Depreciation Provision

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R48.6 million for the 2017/18 financial year and equates to 15 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a higher increase in depreciation relative to previous years.

1.5.5 Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Budget appropriations in this regard total to R24.8 million for the 2017/18 financial year and equates to 8 percent, the expenditure includes distribution losses.

1.5.6 Other Material

Other materials comprises of amongst others the maintenance of roads, materials for maintenance and the provision equates to 6 percent of the total operating expenditure. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the Municipality's infrastructure. For 2017/18 the appropriation against this group of expenditure has grown by 22 per cent (R4.7 million) and continues to grow at 5.4 and 5.3 per cent for the two outer years of which budget allocation that totals to R668 million for the MTREF period.

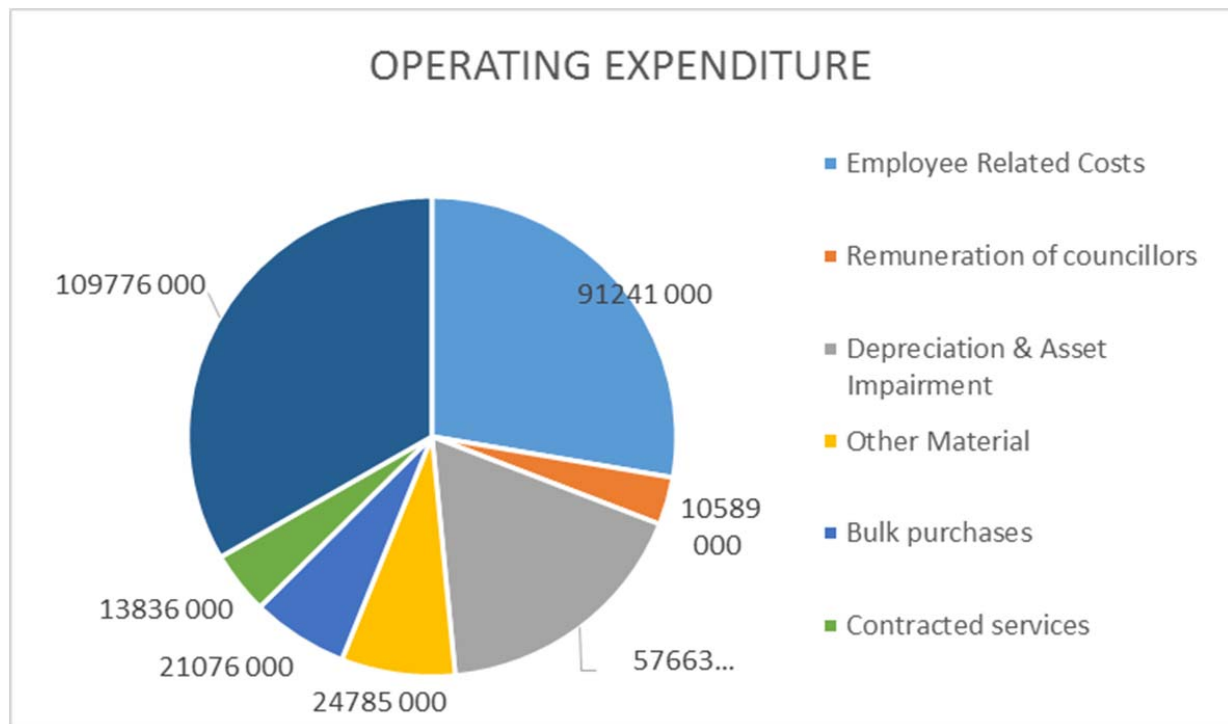
1.5.7 Contracted Services

In the 2017/18 financial year, this group of expenditure totals R13.8 million and equates to 4 percent of the total operating expenditure and has escalated by just 25.2 per cent from previous financial year. For the two outer years growth has been limited to 5.3 per cent.

1.5.8 Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budget appropriations in this regard totals to R109.7 million and equates to 33 percent.

The following graph gives a breakdown of the main expenditure categories for the 2017/18 financial year.



1.5.9 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2017/18 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

Table 34c Repairs and maintenance per asset class

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| <u>Repairs and maintenance expenditure by Asset Class/Sub-class</u> | | | | | | | | | | |
| <u>Infrastructure</u> | | - | - | - | 12 606 | 10 680 | 10 680 | 15 055 | 15 913 | 16 804 |
| Roads Infrastructure | | - | - | - | 10 314 | 7 083 | 7 083 | 10 454 | 11 050 | 11 669 |
| Roads | | | | | 10 314 | 7 083 | 7 083 | 10 454 | 11 050 | 11 669 |
| Electrical Infrastructure | | - | - | - | 1 842 | 3 146 | 3 146 | 3 803 | 4 019 | 4 244 |
| <u>Community Assets</u> | | - | - | - | 1 206 | 2 408 | 2 408 | 2 350 | 2 484 | 2 623 |
| Community Facilities | | - | - | - | 1 206 | 2 408 | 2 408 | 624 | 659 | 696 |
| <u>Other assets</u> | | - | - | - | 2 830 | 3 404 | 3 404 | 2 926 | 3 093 | 3 266 |
| Operational Buildings | | - | - | - | 2 830 | 3 404 | 3 404 | 2 926 | 3 093 | 3 266 |
| Municipal Offices | | | | | 2 830 | 3 404 | 3 404 | 2 926 | 3 093 | 3 266 |
| <u>Furniture and Office Equipment</u> | | - | - | - | - | - | - | 1 267 | 1 339 | 1 414 |
| Total Repairs and Maintenance Expen | 1 | - | - | - | 16 643 | 16 492 | 16 492 | 21 597 | 22 828 | 24 107 |

For the 2017/18 financial year, R21million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received an amount an allocation totaling to R3.8 million, and road infrastructure received R10.4 million. Solid waste infrastructure has received a proportion totaling to R798 000. Community assets has been allocated R2.3 million of repairs and maintenance. Lastly other assets has received R4.1 million.

1.5.10 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 10 000 or more indigent households during the 2017/18 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table SA21.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. In 2017/2017 financial year the municipality made a provision of R6.2 million for free basic services.

1.5.11 Expenditure by major type

1. Bulk purchases have increased over the 2017/2018 to 2019/20 period escalating from R24.7 million, R26.1million and R27.6 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

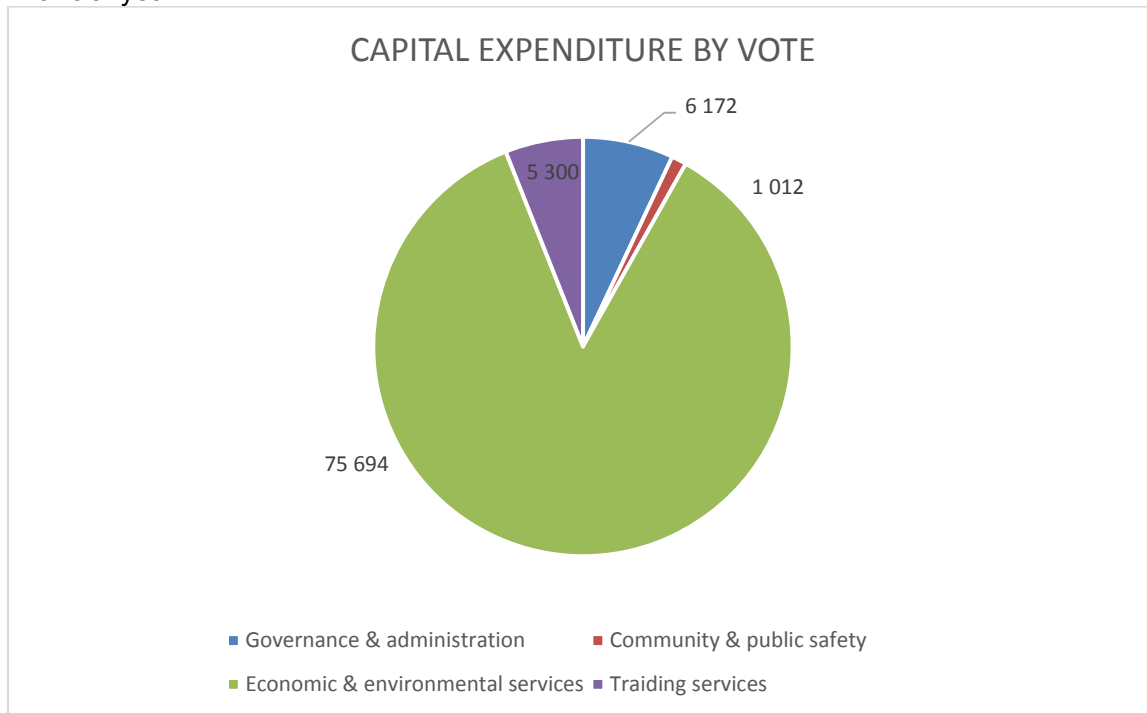
Table 3 2017/18 Medium-term capital budget per vote

| Vote Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| <i>Governance and administration</i> | | - | - | - | 3 933 | 5 439 | 5 439 | 1 176 | 6 172 | 6 524 | 6 889 |
| Executive and council | | | | | 2 145 | 1 990 | 1 990 | 930 | 309 | 327 | 345 |
| Finance and administration | | | | | 1 787 | 3 449 | 3 449 | 164 | 5 863 | 6 197 | 6 544 |
| Internal audit | | | - | | - | | - | 82 | | - | - |
| <i>Community and public safety</i> | | - | - | - | 1 864 | 1 222 | 1 222 | 594 | 1 012 | 1 070 | 1 130 |
| Community and social services | | | | | 112 | 112 | 112 | 50 | 119 | 126 | 133 |
| Sport and recreation | | | | | 1 310 | 560 | 560 | 544 | 100 | 106 | 112 |
| Public safety | | | | | 443 | 551 | 551 | | 793 | 839 | 886 |
| Housing | | | | | - | | - | | | - | - |
| Health | | | | | | | - | | | | |
| <i>Economic and environmental services</i> | | - | - | - | 43 175 | 52 708 | 52 708 | 29 276 | 75 694 | 80 008 | 84 489 |
| Planning and development | | | | | 694 | 694 | 694 | 378 | 31 735 | 33 544 | 35 422 |
| Road transport | | | | | 42 481 | 52 014 | 52 014 | 28 898 | 43 959 | 46 464 | 49 066 |
| Environmental protection | | | | | | | - | | | | |
| <i>Trading services</i> | | - | - | - | 4 400 | 4 764 | 4 764 | 2 794 | 5 300 | 5 603 | 5 916 |
| Energy sources | | | | | 3 650 | 3 814 | 3 814 | 2 262 | 4 500 | 4 757 | 5 023 |
| Water management | | | | | | - | - | | - | - | - |
| Waste water management | | | | | | | - | | | - | - |
| Waste management | | | | | 750 | 950 | 950 | 532 | 800 | 846 | 893 |
| <i>Other</i> | | | | | | | - | | | | |
| Total Capital Expenditure - Functional | 3 | - | - | - | 53 372 | 64 134 | 64 134 | 33 840 | 88 178 | 93 205 | 98 424 |

For 2017/18 an amount of R88.1 million has been appropriated for the development of infrastructure which represents 21 per cent of the total expenditure budget. In the outer years this amount totals R93.2 and R98.4 million respectively for each of the financial years. Roads transport receives the highest allocation of R43.9 million in 2017/18 which equates to 49.8 per cent followed Planning and development that receives an allocation of R31.7 million equates to 35.9 per cent, electricity infrastructure at 5 per cent, R4.5 million and then waste management at 0.91 per cent, R800 000.

Other assets which includes municipal vehicles, furniture and office equipment, the budget proportion in this regard amounted to R7.1 million equates to 8.1 percent.

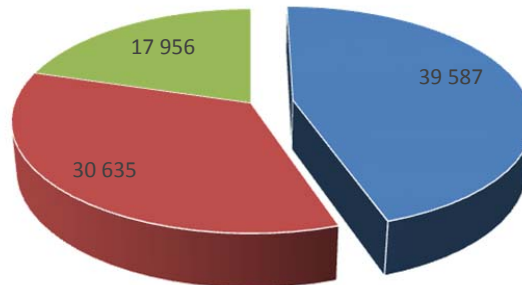
The following graph gives a breakdown of the Capital expenditure by vote for the 2017/18 financial year.



1.6.1 FUNDING OF THE CAPITAL BUDGET

1. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. For 2017/18, capital transfers totals R39.5 million (44.8 per cent) and escalates to R41.7 million by 2018/19 (44.7 per cent) and to R43.9 (44.6 per cent) by 2019/2020.
2. Grants from the province has been provided at R30.6 for 2017/2018 and R26.4 and R20.91 respectively for two outer years with internally generated funding totaling R17.9 million for 2017/2018, R25 million and R33.5 million for each of the respective financial years of the MTREF.
3. The graph below illustrate the funding sources for Capital Expenditure

CAPITAL FUNDING



■ Transfers recognised capital ■ Public contributions and donations ■ Internally generated funds ■

1.7 Annual Budget Tables - Elundini Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council.

Each table is accompanied by *explanatory notes* on the facing page.

Table A1 - Budget Summary

| Description | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousands | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Financial Performance | | | | | | | | | | |
| Property rates | - | - | - | 16 119 | 17 673 | 17 673 | 20 635 | 18 804 | 19 876 | 20 989 |
| Service charges | - | - | - | 29 335 | 27 603 | 27 603 | 23 078 | 27 063 | 28 606 | 30 208 |
| Investment revenue | - | - | - | 1 443 | 1 500 | 1 500 | 3 364 | 1 596 | 1 687 | 1 781 |
| Transfers recognised - operational | - | - | - | 148 329 | 154 493 | 154 493 | 150 464 | 169 215 | 175 443 | 169 607 |
| Other own revenue | - | - | - | 99 576 | 125 145 | 125 145 | 7 118 | 130 244 | 141 085 | 164 647 |
| Total Revenue (excluding capital transfers and contributions) | - | - | - | 294 801 | 326 414 | 326 414 | 204 659 | 346 923 | 366 697 | 387 233 |
| Employee costs | - | - | - | 84 771 | 78 777 | 78 777 | 63 897 | 91 241 | 96 442 | 101 843 |
| Remuneration of councillors | - | - | - | 11 541 | 13 982 | 13 982 | 8 607 | 10 589 | 11 192 | 11 819 |
| Depreciation & asset impairment | - | - | - | 45 736 | 45 736 | 45 736 | - | 48 663 | 51 437 | 54 317 |
| Finance charges | - | - | - | 22 | 50 | 50 | - | 53 | 56 | 59 |
| Materials and bulk purchases | - | - | - | 40 316 | 40 532 | 40 532 | 25 492 | 45 861 | 48 475 | 51 190 |
| Transfers and grants | - | - | - | 5 701 | 5 911 | 5 911 | 5 088 | - | - | - |
| Other expenditure | - | - | - | 90 590 | 119 542 | 119 542 | 59 022 | 132 560 | 140 116 | 147 962 |
| Total Expenditure | - | - | - | 278 678 | 304 530 | 304 530 | 162 106 | 328 967 | 347 718 | 367 190 |
| Surplus/(Deficit) | - | - | - | 16 123 | 21 884 | 21 884 | 42 553 | 17 956 | 18 979 | 20 042 |
| Transfers and subsidies - capital (monetary allocations) | - | - | - | 37 249 | 42 250 | 42 250 | 21 758 | 70 222 | 74 225 | 78 381 |
| Contributions recognised - capital & contributed assets | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | - | - | - | 53 372 | 64 134 | 64 134 | 64 311 | 88 178 | 93 204 | 98 424 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | - | - | - | 53 372 | 64 134 | 64 134 | 64 311 | 88 178 | 93 204 | 98 424 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | - | - | - | 53 372 | 64 134 | 64 134 | 33 840 | 88 178 | 93 205 | 98 424 |
| Transfers recognised - capital | - | - | - | 37 250 | 42 250 | 42 250 | 24 645 | 70 222 | 68 173 | 64 914 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | - | - | - | 16 122 | 21 884 | 21 884 | 9 195 | 17 956 | 25 032 | 33 510 |
| Total sources of capital funds | - | - | - | 53 372 | 64 134 | 64 134 | 33 840 | 88 178 | 93 205 | 98 424 |
| Financial position | | | | | | | | | | |
| Total current assets | - | - | - | 81 368 | 100 512 | 100 512 | 107 713 | 107 813 | 113 958 | 120 340 |
| Total non current assets | - | - | - | 354 506 | 374 207 | 374 207 | 374 156 | 374 157 | 395 483 | 417 631 |
| Total current liabilities | - | - | - | 45 066 | 37 040 | 37 040 | 53 857 | 53 858 | 56 928 | 60 116 |
| Total non current liabilities | - | - | - | - | 11 156 | 11 156 | 12 112 | 12 112 | 12 802 | 13 519 |
| Community wealth/Equity | - | - | - | 390 808 | 426 474 | 426 474 | 415 900 | 416 000 | 439 712 | 464 335 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | - | - | - | 92 051 | 72 483 | 72 483 | (42 021) | 113 780 | 116 798 | 99 585 |
| Net cash from (used) investing | - | - | - | (53 372) | (64 134) | (64 134) | (33 840) | (70 222) | (68 173) | (64 914) |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the year end | - | - | - | 38 679 | 119 208 | 119 208 | 95 496 | 139 055 | 187 679 | 222 350 |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | - | - | - | 71 434 | 80 528 | 80 528 | 95 497 | 95 496 | 100 939 | 106 592 |
| Application of cash and investments | - | - | - | 21 812 | (1 828) | (1 828) | 42 121 | 41 534 | 44 012 | 46 934 |
| Balance - surplus (shortfall) | - | - | - | 49 622 | 82 356 | 82 356 | 53 376 | 53 962 | 56 928 | 59 658 |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | - | - | - | 248 581 | 248 581 | 248 581 | 336 759 | 336 759 | 355 954 | 375 888 |
| Depreciation | - | - | - | 45 736 | 45 736 | 45 736 | 48 663 | 48 663 | 51 437 | 54 317 |
| Renewal of Existing Assets | - | - | - | - | - | - | - | - | - | - |
| Repairs and Maintenance | - | - | - | 16 643 | 16 492 | 16 492 | 21 597 | 21 597 | 22 828 | 24 107 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | 4 982 | 4 982 | 5 266 | 5 561 |
| Revenue cost of free services provided | - | - | - | - | 2 932 | 2 932 | 3 120 | 3 120 | 3 297 | 3 482 |
| Households below minimum service level | | | | | | | | | | |
| Water: | - | - | - | - | - | - | - | - | - | - |
| Sanitation/sewerage: | - | - | - | - | - | - | - | - | - | - |
| Energy: | - | - | - | - | - | - | - | - | - | - |
| Refuse: | - | - | - | - | - | - | - | - | - | - |

Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation indicates that the municipality is paying much attention in managing of its finances mainly building of internal reserves that can be cash-backed to fund the budget.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

| Functional Classification Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | 1 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | - | - | - | 199 707 | 201 944 | 201 944 | 224 674 | 237 480 | 250 779 |
| Executive and council | | - | - | - | - | - | - | - | - | - |
| Finance and administration | | - | - | - | 199 707 | 201 944 | 201 944 | 224 674 | 237 480 | 250 779 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | - | - | - | 2 548 | 3 171 | 3 171 | 5 892 | 6 227 | 6 576 |
| Community and social services | | - | - | - | 794 | 854 | 854 | 3 426 | 3 622 | 3 824 |
| Sport and recreation | | - | - | - | - | 19 | 19 | 20 | 21 | 23 |
| Public safety | | - | - | - | 1 754 | 2 298 | 2 298 | 2 445 | 2 585 | 2 729 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | - | - | - | 85 961 | 110 445 | 110 445 | 124 384 | 131 474 | 138 837 |
| Planning and development | | - | - | - | 116 | 116 | 116 | 32 738 | 34 604 | 36 542 |
| Road transport | | - | - | - | 85 845 | 110 329 | 110 329 | 91 647 | 96 870 | 102 295 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | - | - | - | 43 835 | 53 104 | 53 104 | 62 196 | 65 741 | 69 422 |
| Energy sources | | - | - | - | 39 086 | 47 929 | 47 929 | 57 071 | 60 324 | 63 702 |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | 4 748 | 5 175 | 5 175 | 5 125 | 5 417 | 5 720 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | - | - | - | 332 051 | 368 664 | 368 664 | 417 145 | 440 922 | 465 614 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | - | - | - | 114 309 | 136 510 | 136 510 | 140 259 | 148 254 | 156 556 |
| Executive and council | | - | - | - | 38 697 | 40 723 | 40 723 | 45 337 | 47 921 | 50 604 |
| Finance and administration | | - | - | - | 75 613 | 95 787 | 95 787 | 94 922 | 100 333 | 105 951 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | - | - | - | 19 131 | 18 106 | 18 106 | 24 096 | 25 470 | 26 896 |
| Community and social services | | - | - | - | 3 353 | 3 463 | 3 463 | 6 252 | 6 608 | 6 978 |
| Sport and recreation | | - | - | - | 7 721 | 7 006 | 7 006 | 7 876 | 8 325 | 8 791 |
| Public safety | | - | - | - | 7 218 | 6 702 | 6 702 | 9 969 | 10 537 | 11 127 |
| Housing | | - | - | - | 839 | 936 | 936 | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | - | - | - | 72 865 | 69 316 | 69 316 | 73 277 | 77 453 | 81 791 |
| Planning and development | | - | - | - | 10 743 | 11 214 | 11 214 | 13 346 | 14 107 | 14 897 |
| Road transport | | - | - | - | 62 122 | 58 102 | 58 102 | 59 930 | 63 347 | 66 894 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | - | - | - | 72 373 | 80 597 | 80 597 | 91 335 | 96 541 | 101 947 |
| Energy sources | | - | - | - | 54 605 | 63 794 | 63 794 | 73 303 | 77 482 | 81 820 |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | 17 768 | 16 803 | 16 803 | 18 032 | 19 059 | 20 127 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | - | - | - | 278 679 | 304 530 | 304 530 | 328 967 | 347 718 | 367 190 |
| Surplus/(Deficit) for the year | | - | - | - | 53 372 | 64 134 | 64 134 | 88 178 | 93 205 | 98 424 |

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity and Waste management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue and Equitable share.

Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - Executive & Council | | – | – | – | – | – | – | – | – | – |
| Vote 2 - Budget & Treasury | | – | – | – | 199 707 | 201 944 | 201 944 | 224 674 | 237 480 | 250 779 |
| Vote 3 - Corporate services | | – | – | – | – | – | – | – | – | – |
| Vote 4 - Community Services | | – | – | – | 7 297 | 8 346 | 8 346 | 11 100 | 11 733 | 12 390 |
| Vote 5 - Strategic Planning & Development | | – | – | – | 116 | 116 | 116 | 30 758 | 32 512 | 34 332 |
| Vote 6 - Infrastructure Development & Planning | | – | – | – | 124 931 | 158 258 | 158 258 | 150 613 | 159 198 | 168 113 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| Total Revenue by Vote | 2 | – | – | – | 332 051 | 368 664 | 368 664 | 417 145 | 440 922 | 465 614 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote 1 - Executive & Council | | – | – | – | 38 697 | 40 723 | 40 723 | 45 337 | 47 921 | 50 604 |
| Vote 2 - Budget & Treasury | | – | – | – | 46 100 | 64 725 | 64 725 | 58 613 | 61 954 | 65 424 |
| Vote 3 - Corporate services | | – | – | – | 29 513 | 31 062 | 31 062 | 36 309 | 38 378 | 40 528 |
| Vote 4 - Community Services | | – | – | – | 36 900 | 34 910 | 34 910 | 43 273 | 45 739 | 48 301 |
| Vote 5 - Strategic Planning & Development | | – | – | – | 10 743 | 11 214 | 11 214 | 10 301 | 10 888 | 11 498 |
| Vote 6 - Infrastructure Development & Planning | | – | – | – | 116 728 | 121 895 | 121 895 | 135 134 | 142 837 | 150 836 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| Total Expenditure by Vote | 2 | – | – | – | 278 679 | 304 530 | 304 530 | 328 967 | 347 718 | 367 190 |
| Surplus/(Deficit) for the year | 2 | – | – | – | 53 372 | 64 134 | 64 134 | 88 178 | 93 205 | 98 424 |

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | - | - | - | 16 119 | 17 673 | 17 673 | 20 635 | 18 804 | 19 876 | 20 989 |
| Service charges - electricity revenue | 2 | - | - | - | 24 586 | 22 928 | 22 928 | 19 177 | 24 320 | 25 706 | 27 145 |
| Service charges - water revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 2 | - | - | - | 4 748 | 4 675 | 4 675 | 3 901 | 2 744 | 2 900 | 3 063 |
| Service charges - other | | | | | - | - | - | - | - | - | - |
| Rental of facilities and equipment | | | | | 14 379 | 8 094 | 8 094 | 1 151 | 1 500 | 1 586 | 1 675 |
| Interest earned - external investments | | | | | 1 443 | 1 500 | 1 500 | 3 364 | 1 596 | 1 687 | 1 781 |
| Interest earned - outstanding debtors | | | | | 1 414 | 1 785 | 1 785 | 1 520 | 1 899 | 2 007 | 2 120 |
| Dividends received | | | | | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | | | | 85 | 179 | 179 | 57 | 109 | 116 | 122 |
| Licences and permits | | | | | 1 691 | 3 963 | 3 963 | 1 942 | 2 418 | 2 556 | 2 699 |
| Agency services | | | | | 1 652 | - | - | - | - | - | - |
| Transfers and subsidies | | | | | 148 329 | 154 493 | 154 493 | 150 464 | 169 215 | 175 443 | 169 607 |
| Other revenue | 2 | - | - | - | 80 355 | 110 809 | 110 809 | 2 407 | 123 982 | 134 466 | 157 657 |
| Gains on disposal of PPE | | | | | - | 315 | 315 | 41 | 335 | 354 | 374 |
| Total Revenue (excluding capital transfers and contributions) | | - | - | - | 294 801 | 326 414 | 326 414 | 204 659 | 346 923 | 366 697 | 387 233 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 2 | - | - | - | 84 771 | 78 777 | 78 777 | 63 897 | 91 241 | 96 442 | 101 843 |
| Remuneration of councillors | | | | | 11 541 | 13 982 | 13 982 | 8 607 | 10 589 | 11 192 | 11 819 |
| Debt impairment | 3 | | | | 10 331 | 20 001 | 20 001 | 7 485 | 9 000 | 9 513 | 10 046 |
| Depreciation & asset impairment | 2 | - | - | - | 45 736 | 45 736 | 45 736 | - | 48 663 | 51 437 | 54 317 |
| Finance charges | | | | | 22 | 50 | 50 | - | 53 | 56 | 59 |
| Bulk purchases | 2 | - | - | - | 23 674 | 24 040 | 24 040 | 17 673 | 24 785 | 26 198 | 27 665 |
| Other materials | 8 | | | | 16 642 | 16 492 | 16 492 | 7 819 | 21 076 | 22 278 | 23 525 |
| Contracted services | | - | - | - | 2 541 | 10 348 | 10 348 | 4 099 | 13 836 | 14 625 | 15 444 |
| Transfers and subsidies | | - | - | - | 5 701 | 5 911 | 5 911 | 5 088 | - | - | - |
| Other expenditure | 4, 5 | - | - | - | 77 718 | 89 193 | 89 193 | 47 438 | 109 724 | 115 978 | 122 473 |
| Loss on disposal of PPE | | | | | - | - | - | - | - | - | - |
| Total Expenditure | | - | - | - | 278 678 | 304 530 | 304 530 | 162 106 | 328 967 | 347 718 | 367 190 |
| Surplus/(Deficit) | | - | - | - | 16 123 | 21 884 | 21 884 | 42 553 | 17 956 | 18 979 | 20 042 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | | | 37 249 | 42 250 | 42 250 | 21 758 | 70 222 | 74 225 | 78 381 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 6 | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind - all) | | | | | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | - | - | - | 53 372 | 64 134 | 64 134 | 64 311 | 88 178 | 93 204 | 98 424 |
| Taxation | | | | | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | - | - | - | 53 372 | 64 134 | 64 134 | 64 311 | 88 178 | 93 204 | 98 424 |
| Attributable to minorities | | | | | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | - | - | - | 53 372 | 64 134 | 64 134 | 64 311 | 88 178 | 93 204 | 98 424 |
| Share of surplus/ (deficit) of associate | 7 | | | | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | | - | - | - | 53 372 | 64 134 | 64 134 | 64 311 | 88 178 | 93 204 | 98 424 |

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

3. Total revenue is R346.9 million in 2017/18 and escalates to R366.6 million by 2018/19 and R387.3 by 2019/2020.
4. Revenue to be generated from property rates is R18.8 million in the 2017/18 financial year and increases to R18.9 million by 2018/19 and R20.9 million by 2019/2020. The property Rates represents 5.4 per cent of the operating revenue base of the municipality and clearly shows that the municipality is grant depended it cannot sustain itself should the grants be taken away.
5. Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R31.9 million for the 2017/18 financial year and increasing to R33.8 and R35.7 for the outer years. For the 2017/18 financial year services charges amount to 8 per cent of the total revenue base and grows by 9 per cent per annum over the medium-term.
6. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 48.7 per cent and 49 per cent for the two outer years.

Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

| Vote Description | Ref | 2013/14 Audited Outcome | 2014/15 Audited Outcome | 2015/16 Audited Outcome | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-------------------------------|-------------------------------|-------------------------------|----------------------|--------------------|-----------------------|----------------------|--|---------------------------|---------------------------|
| | | | | | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | 1 | | | | | | | | | | |
| Capital Expenditure - Functional | | | | | | | | | | | |
| <i>Governance and administration</i> | | - | - | - | 3 933 | 5 439 | 5 439 | 1 176 | 6 172 | 6 524 | 6 889 |
| Executive and council | | | | | 2 145 | 1 990 | 1 990 | 930 | 309 | 327 | 345 |
| Finance and administration | | | | | 1 787 | 3 449 | 3 449 | 164 | 5 863 | 6 197 | 6 544 |
| Internal audit | | | - | | - | | - | 82 | | - | - |
| <i>Community and public safety</i> | | - | - | - | 1 864 | 1 222 | 1 222 | 594 | 1 012 | 1 070 | 1 130 |
| Community and social services | | | | | 112 | 112 | 112 | 50 | 119 | 126 | 133 |
| Sport and recreation | | | | | 1 310 | 560 | 560 | 544 | 100 | 106 | 112 |
| Public safety | | | | | 443 | 551 | 551 | | 793 | 839 | 886 |
| Housing | | | | | - | | | | | - | - |
| Health | | | | | | | | | | | |
| <i>Economic and environment</i> | | - | - | - | 43 175 | 52 708 | 52 708 | 29 276 | 75 694 | 80 008 | 84 489 |
| Planning and development | | | | | 694 | 694 | 694 | 378 | 31 735 | 33 544 | 35 422 |
| Road transport | | | | | 42 481 | 52 014 | 52 014 | 28 898 | 43 959 | 46 464 | 49 066 |
| Environmental protection | | | | | | | | | | | |
| <i>Trading services</i> | | - | - | - | 4 400 | 4 764 | 4 764 | 2 794 | 5 300 | 5 603 | 5 916 |
| Energy sources | | | | | 3 650 | 3 814 | 3 814 | 2 262 | 4 500 | 4 757 | 5 023 |
| Water management | | | | | | - | - | | - | - | - |
| Waste water management | | | | | | | | | | - | - |
| Waste management | | | | | 750 | 950 | 950 | 532 | 800 | 846 | 893 |
| <i>Other</i> | | | | | | | | | | | |
| Total Capital E | 3 | - | - | - | 53 372 | 64 134 | 64 134 | 33 840 | 88 178 | 93 205 | 98 424 |
| Funded by: | | | | | | | | | | | |
| National Government | | | | | 37 250 | 42 250 | 42 250 | 24 645 | 39 587 | 41 731 | 43 993 |
| Provincial Government | | | | | | | | | 30 635 | 26 442 | 20 921 |
| District Municipality | | | | | | | | | | | |
| Other transfers and grants | | | - | | | | | | | | |
| Transfers received | 4 | - | - | - | 37 250 | 42 250 | 42 250 | 24 645 | 70 222 | 68 173 | 64 914 |
| Public contributions | 5 | | | | | | | | | | |
| Borrowing | 6 | | | | | | | | | | |
| Internally generated funds | | | | | 16 122 | 21 884 | 21 884 | 9 195 | 17 956 | 25 032 | 33 510 |
| Total Capital F | 7 | - | - | - | 53 372 | 64 134 | 64 134 | 33 840 | 88 178 | 93 205 | 98 424 |

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

4. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
5. Single-year capital expenditure has been appropriated at R88.1 million for the 2017/18 financial year and R93.2 million and R98.4 million respectively for the two outer years.
6. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

Table A6 - Budgeted Financial Position

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | | | | | 1 569 | 10 290 | 10 290 | 5 454 | 5 454 | 5 764 | 6 087 |
| Call investment deposits | 1 | - | - | - | 69 865 | 70 238 | 70 238 | 90 043 | 90 043 | 95 175 | 100 505 |
| Consumer debtors | 1 | - | - | - | 3 556 | 13 640 | 13 640 | 6 152 | 6 252 | 6 609 | 6 979 |
| Other debtors | | | | | 5 884 | 6 058 | 6 058 | 5 788 | 5 789 | 6 119 | 6 461 |
| Current portion of long-term receivables | | | | | - | - | - | - | - | - | - |
| Inventory | 2 | | | | 494 | 286 | 286 | 276 | 276 | 291 | 308 |
| Total current assets | | - | - | - | 81 368 | 100 512 | 100 512 | 107 713 | 107 813 | 113 958 | 120 340 |
| Non current assets | | | | | | | | | | | |
| Long-term receivables | | | | | | | | - | - | - | - |
| Investments | | | | | | | | - | - | - | - |
| Investment property | | | | | 35 046 | 34 969 | 34 969 | 34 969 | 34 969 | 36 962 | 39 032 |
| Investment in Associate | | | | | | | | - | - | - | - |
| Property, plant and equipment | 3 | - | - | - | 319 172 | 338 961 | 338 961 | 338 960 | 338 961 | 358 282 | 378 345 |
| Agricultural | | | | | | | | | | - | - |
| Biological | | | | | | | | | | - | - |
| Intangible | | | | | 287 | 277 | 277 | 227 | 227 | 240 | 253 |
| Other non-current assets | | | | | | | | | | - | - |
| Total non current assets | | - | - | - | 354 506 | 374 207 | 374 207 | 374 156 | 374 157 | 395 483 | 417 631 |
| TOTAL ASSETS | | - | - | - | 435 874 | 474 719 | 474 719 | 481 869 | 481 969 | 509 442 | 537 970 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | 1 | | | | | | | | | - | - |
| Borrowing | 4 | - | - | - | 69 | 946 | 946 | - | - | - | - |
| Consumer deposits | | | | | 367 | 306 | 306 | 238 | 239 | 253 | 267 |
| Trade and other payables | 4 | - | - | - | 31 543 | 29 450 | 29 450 | 47 281 | 47 281 | 49 976 | 52 775 |
| Provisions | | | | | 13 086 | 6 338 | 6 338 | 6 338 | 6 338 | 6 699 | 7 074 |
| Total current liabilities | | - | - | - | 45 066 | 37 040 | 37 040 | 53 857 | 53 858 | 56 928 | 60 116 |
| Non current liabilities | | | | | | | | | | | |
| Borrowing | | - | - | - | - | - | - | 956 | 956 | 1 010 | 1 067 |
| Provisions | | - | - | - | - | 11 156 | 11 156 | 11 156 | 11 156 | 11 792 | 12 452 |
| Total non current liabilities | | - | - | - | - | 11 156 | 11 156 | 12 112 | 12 112 | 12 802 | 13 519 |
| TOTAL LIABILITIES | | - | - | - | 45 066 | 48 196 | 48 196 | 65 969 | 65 970 | 69 730 | 73 635 |
| NET ASSETS | 5 | - | - | - | 390 808 | 426 523 | 426 523 | 415 900 | 416 000 | 439 712 | 464 335 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | | | | 390 808 | 426 474 | 426 474 | 415 900 | 416 000 | 439 712 | 464 335 |
| Reserves | 4 | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 5 | - | - | - | 390 808 | 426 474 | 426 474 | 415 900 | 416 000 | 439 712 | 464 335 |

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6s supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions noncurrent;
 - Changes in net assets; and
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table A7 - Budgeted Cash Flow Statement

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | | | | 13 345 | 73 368 | 73 368 | 12 176 | 15 043 | 15 900 | 16 791 |
| Service charges | | | | | 26 405 | 154 493 | 154 493 | 7 863 | 23 854 | 25 214 | 26 626 |
| Other revenue | | | | | 109 758 | 42 250 | 42 250 | 1 910 | 44 992 | 47 557 | 50 220 |
| Government - operating | 1 | | | | 148 328 | 3 285 | 3 285 | 68 755 | 169 215 | 175 443 | 169 607 |
| Government - capital | 1 | | | | 37 250 | - | - | 29 380 | 70 222 | 68 173 | 64 914 |
| Interest | | | | | 2 857 | - | - | - | 2 795 | 2 954 | 3 120 |
| Dividends | | | | | | | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | | | | (240 169) | (194 952) | (194 952) | (162 105) | (212 292) | (218 391) | (231 637) |
| Finance charges | | | | | (22) | (50) | (50) | - | (50) | (53) | (56) |
| Transfers and Grants | 1 | | | - | (5 701) | (5 911) | (5 911) | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | - | - | - | 92 051 | 72 483 | 72 483 | (42 021) | 113 780 | 116 798 | 99 585 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | | | | | | - | - | - | - | - |
| Decrease (Increase) in non-current debtors | | | | | | | - | - | - | - | - |
| Decrease (increase) other non-current receivables | | | | | | | - | - | - | - | - |
| Decrease (increase) in non-current investments | | | | | | | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Capital assets | | | | | (53 372) | (64 134) | (64 134) | (33 840) | (70 222) | (68 173) | (64 914) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | - | - | - | (53 372) | (64 134) | (64 134) | (33 840) | (70 222) | (68 173) | (64 914) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | - | - | | | - | - | - | - | - |
| Borrowing long term/refinancing | | | | | | | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | | | | | | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | | | | | | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | - | - | - | 38 679 | 8 349 | 8 349 | (75 861) | 43 558 | 48 625 | 34 671 |
| Cash/cash equivalents at the year begin: | 2 | | | | | 110 859 | 110 859 | 171 357 | 95 497 | 139 055 | 187 679 |
| Cash/cash equivalents at the year end: | 2 | - | - | - | 38 679 | 119 208 | 119 208 | 95 496 | 139 055 | 187 679 | 222 350 |

Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the municipality increases to R326 million in 2017/2018 R335 million in 2018/2019 and R331 million in 2019/2020.
4. As part of the 2016/17 mid-year review and Adjustments Budget the cash inflow has been stable and it's boosted by operational and capital grants that we received from the national government.
5. In addition the municipality undertook a debt collection drive resulting in cash receipts of 100% on current billing but there is no movement on arrear debtors of R37 million.
6. The 2017/18 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
7. Cash and cash equivalents totals R139 million as at the end of the 2017/18 financial year and escalates to R187 million by 2018/19 and to R222 million in 2019/2020.

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | |
| <u>Cash and investments available</u> | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | - | - | - | 38 679 | 119 208 | 119 208 | 95 496 | 139 055 | 187 679 | 222 350 |
| Other current investments > 90 days | | - | - | - | 32 755 | (38 680) | (38 680) | 1 | (43 559) | (86 740) | (115 758) |
| Non current assets - Investments | 1 | - | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | - | - | - | 71 434 | 80 528 | 80 528 | 95 497 | 95 496 | 100 939 | 106 592 |
| <u>Application of cash and investments</u> | | | | | | | | | | | |
| Unspent conditional transfers | | - | - | - | 31 543 | - | - | - | 22 609 | 23 897 | 25 235 |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | - | - | - | - | - | - | - | - | - | - |
| Other working capital requirements | 3 | - | - | - | (9 731) | (1 828) | (1 828) | 42 121 | 18 925 | 20 115 | 21 698 |
| Other provisions | | - | - | - | - | - | - | - | - | - | - |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | - | - | - | 21 812 | (1 828) | (1 828) | 42 121 | 41 534 | 44 012 | 46 934 |
| Surplus(shortfall) | | - | - | - | 49 622 | 82 356 | 82 356 | 53 376 | 53 962 | 56 928 | 59 658 |

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2017/18 MTREF was owing to the significant deficit.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table A9 - Asset Management

| Description | Ref | 2013/14 Audited Outcome | 2014/15 Audited Outcome | 2015/16 Audited Outcome | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-------------------------------|-------------------------------|-------------------------------|----------------------|--------------------|-----------------------|---|---------------------------|---------------------------|
| | | | | | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | |
| CAPITAL EXPENDITURE | | | | | | | | | | |
| ASSET REGISTER SUMMARY - PPE (W) | 5 | | | | | | | | | |
| Roads Infrastructure | | | | | 150 716 | 150 716 | 150 716 | 226 410 | 239 315 | 252 717 |
| Storm water Infrastructure | | | | | | - | - | - | - | - |
| Electrical Infrastructure | | | | | 50 552 | 50 552 | 50 552 | 55 052 | 58 190 | 61 449 |
| Water Supply Infrastructure | | | | | - | - | - | - | - | - |
| Sanitation Infrastructure | | | | | - | - | - | - | - | - |
| Solid Waste Infrastructure | | | | | 5 776 | 5 776 | 5 776 | 6 576 | 6 951 | 7 340 |
| Rail Infrastructure | | | | | | - | - | - | - | - |
| Coastal Infrastructure | | | | | | - | - | - | - | - |
| Information and Communication Infrastructure | | | | | - | - | - | - | - | - |
| Infrastructure | | - | - | - | 207 044 | 207 044 | 207 044 | 288 038 | 304 456 | 321 506 |
| Community Facilities | | | | | 1 864 | 1 864 | 1 864 | 2 876 | 3 040 | 3 210 |
| Sport and Recreation Facilities | | | | | | | | | | |
| Community Assets | | - | - | - | 1 864 | 1 864 | 1 864 | 2 876 | 3 040 | 3 210 |
| Heritage Assets | | | | | | | | | | |
| Revenue Generating | | | | | 35 046 | 35 046 | 35 046 | 35 046 | 37 044 | 39 118 |
| Non-revenue Generating | | | | | | | | - | | |
| Investment properties | | - | - | - | 35 046 | 35 046 | 35 046 | 35 046 | 37 044 | 39 118 |
| Operational Buildings | | | | | 4 627 | 4 627 | 4 627 | 7 287 | 7 702 | 8 134 |
| Housing | | | | | - | - | - | | | |
| Other Assets | | - | - | - | 4 627 | 4 627 | 4 627 | 7 287 | 7 702 | 8 134 |
| Biological or Cultivated Assets | | | | | | | | | | |
| Servitudes | | | | | | | | | | |
| Licences and Rights | | | | | - | - | - | - | - | - |
| Intangible Assets | | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | | | | | | | | | |
| Furniture and Office Equipment | | | | | | | | 2 712 | 2 867 | 3 027 |
| Machinery and Equipment | | | | | | | | | | |
| Transport Assets | | | | | | | | 800 | 846 | 893 |
| Libraries | | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| TOTAL ASSET REGISTER SUMMARY - P | 5 | - | - | - | 248 581 | 248 581 | 248 581 | 336 759 | 355 954 | 375 888 |

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality allocated the full amount of the capital expenditure to the new assets, in terms of the repairs and maintenance the municipality is unable to provide 8% of PPE but only manages to provide 6% of the operating budget and even the 6% is not utilized fully at year end so it will be premature to provide for the 8% of PPE as this stage.

3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF.

4.

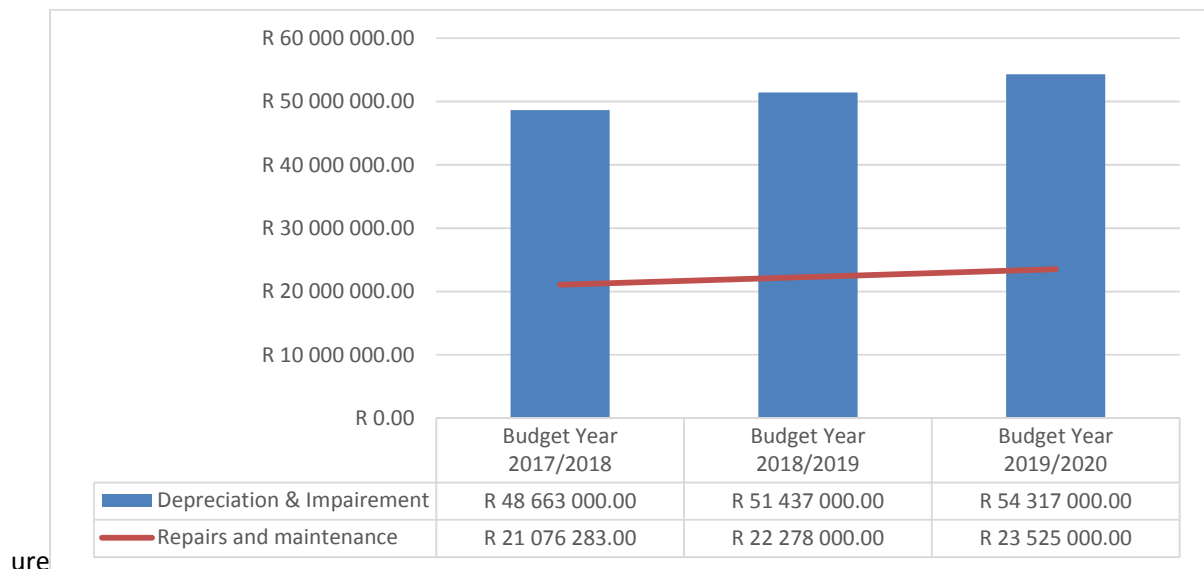


Figure 1 Indicates Depreciation in relation to repairs and maintenance over the MTREF

Table A10 - Basic Service Delivery Measurement

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | - | - | - | - | - | - | - | - | - |
| Piped water inside yard (but not in dwelling) | | - | - | - | - | - | - | - | - | - |
| Using public tap (at least min.service level) | 2 | - | - | - | - | - | - | - | - | - |
| Other water supply (at least min.service level) | 4 | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Using public tap (< min.service level) | 3 | - | - | - | - | - | - | - | - | - |
| Other water supply (< min.service level) | 4 | - | - | - | - | - | - | - | - | - |
| No water supply | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | - | - | - | - | - | - | - | - | - |
| Sanitation/sewerage: | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | - | - | - | - | - | - | - | - | - |
| Flush toilet (with septic tank) | | - | - | - | - | - | - | - | - | - |
| Chemical toilet | | - | - | - | - | - | - | - | - | - |
| Pit toilet (ventilated) | | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (> min.service level) | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Bucket toilet | | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (< min.service level) | | - | - | - | - | - | - | - | - | - |
| No toilet provisions | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | - | - | - | - | - | - | - | - | - |
| Energy: | | | | | | | | | | |
| Electricity (at least min.service level) | | - | - | - | - | - | - | 7 000 | 7 000 | 7 000 |
| Electricity - prepaid (min.service level) | | - | - | - | - | - | - | 5 000 | 5 000 | 5 000 |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | 12 000 | 12 000 | 12 000 |
| Electricity (< min.service level) | | - | - | - | - | - | - | - | - | - |
| Electricity - prepaid (< min. service level) | | - | - | - | - | - | - | - | - | - |
| Other energy sources | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | - | - | - | - | - | - | 12 000 | 12 000 | 12 000 |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | - | - | - | - | - | - | 11 000 | 11 000 | 11 000 |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | 11 000 | 11 000 | 11 000 |
| Removed less frequently than once a week | | - | - | - | - | - | - | - | - | - |
| Using communal refuse dump | | - | - | - | - | - | - | - | - | - |
| Using own refuse dump | | - | - | - | - | - | - | - | - | - |
| Other rubbish disposal | | - | - | - | - | - | - | - | - | - |
| No rubbish disposal | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | - | - | - | - | - | - | 11 000 | 11 000 | 11 000 |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (free minimum level service) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (removed at least once a week) | | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided - Formal Settlements (R'000) | 8 | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (free sanitation service to indigent households) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per indigent household per month) | | - | - | - | - | - | - | 2 751 | 2 908 | 3 071 |
| Refuse (removed once a week for indigent households) | | - | - | - | - | - | - | 2 231 | 2 358 | 2 490 |
| Cost of Free Basic Services provided - Informal Formal Settlements (R'000) | | - | - | - | - | - | - | - | - | - |
| Total cost of FBS provided | | - | - | - | - | - | - | 4 982 | 5 266 | 5 561 |
| Highest level of free service provided per household | | | | | | | | | | |
| Property rates (R value threshold) | | - | - | - | 15 000 | 15 000 | 15 000 | - | - | - |
| Water (kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (Rand per household per month) | | - | - | - | - | - | - | - | - | - |
| Electricity (kwh per household per month) | | - | - | - | 50 000 | 50 000 | 50 000 | - | - | - |
| Refuse (average litres per week) | | - | - | - | 40 000 | 40 000 | 40 000 | - | - | - |
| Revenue cost of subsidised services provided (R'000) | 9 | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | - | - | - | - | - | - | - | - | - |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) | | - | - | - | - | 2 932 | 2 932 | 3 120 | 3 297 | 3 482 |
| Water (in excess of 6 kilolitres per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (in excess of free sanitation service to indigent households) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (in excess of one removal a week for indigent households) | | - | - | - | - | - | - | - | - | - |
| Municipal Housing - rental rebates | | - | - | - | - | - | - | - | - | - |
| Housing - bp structure subsidies | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total revenue cost of subsidised services provided | 6 | - | - | - | - | 2 932 | 2 932 | 3 120 | 3 297 | 3 482 |

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs:

Elundini services backlogs

- a. **Electricity backlogs:** Elundini municipality has planned to do 986 household connection in the 2017/18 financial year. The municipality intends to reduce backlog by building both infrastructure link lines in Ncembu ward 1 and 7km of link line in Makgatlangeng in ward 8.
- b. **Solid Waste services- backlogs:** Elundini municipality has planned to do 986 household connection in the 2017/18 financial year. The municipality intends to reduce backlog by building both infrastructure link lines in Ncembu ward 1 and 7km of link line in Makgatlangeng in ward 8. Refuse services – backlogs The Municipality will purchase 4 additional Skip Bins to be placed in the un-serviced areas within the urban edge of Maclear (informal settlements). 1 skip bin has capacity to service 12 households and the total that will be serviced by 4 skip bins will be about 48 households.

The budget provides for 10 000 households to be registered as indigent in 2017/18, and therefore entitled to receiving Free Basic Services. The number is set to increase to 10500 households given the rapid rate of in-migration to the municipal area, especially by poor people seeking economic opportunities.

It is anticipated that these Free Basic Services will cost the municipality R6.2 million in 2017/18, increasing to R6.6 million in 2018/19 and to R7 million in 2019/2020. This is covered by the municipality's equitable share allocation from national government.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in September 2016) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 September 2016. Key dates applicable to the process were:

- **September 2016** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2011/12 MTREF;
- **July/Aug 2016** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **August 2016** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2017** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **January 2017** - Council considers the 2017/18 Mid-year Review and Adjustments Budget;
-

- **March 2017** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2017/18 MTREF is revised accordingly;
- **29 March 2017** - Tabling in Council of the draft 2017/22 IDP and 2019/20 MTREF for public consultation;
- **May 2017** – Public consultation;
- **April 2017** - Closing date for written comments;
- **June 2017** – finalization of the 2017/22 IDP and 2017/18 to 2019/20 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **June 2017** - Approval of the 2017/18 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as adopted by Council in June 2017. It started in September 2016 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2017/18 MTREF in September.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2017/18 MTREF, based on the approved 2016/17 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2017/18 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2016/17 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2017/18 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2017/18 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2016/17 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 85 and 86 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2017/18 MTREF as tabled before Council on 30 March 2017 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. In addition a further development of this year's consultation process included the launch of E-based consultation. E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the Municipality's website, and the Municipality's call centre was engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 23 to 29 May 2017, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 5000 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where

relevant considered as part of the finalisation of the 2017/18 MTREF. Feedback and responses to the submissions received are available on request.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);

- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2017/18 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 4 IDP Strategic Objectives

| 2016/17 Financial Year | 2017/18 MTREF |
|--|--|
| 1. The provision of quality basic services and infrastructure | 1. Accelerate service delivery and infrastructure development |
| 2. Acceleration of higher and shared economic growth and development | 2. Promote economic growth, environmental sustainability and creation of decent jobs |
| 3. Fighting of poverty, building clean, healthy, safe and sustainable communities | |
| 4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service | |
| 5. Good governance, Financial viability and institutional governance | 3. To improve the effectiveness of governance administrative and financial systems |

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide waste removal;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective city cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimizing effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2017/18 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

| Strategic Objective | Goal | Goal Code | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|--|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | | |
| To provide a secure ICT infrastructure which delivers appropriate levels of data confidentiality, integrity and availability | To ensure the provision of efficient, effective and transformed human capital and sound labour relations | | | | | | - | - | - | - | - | - |
| % of households earning less than R 1100 with access to basic services | To ensure that all citizens of ELM have access to basic services | | | | | | 132 228 | 158 258 | 158 258 | 154 610 | 163 423 | 172 574 |
| Promotion of economic development within the Region | To promote economic development through the creation of sustainable jobs, support of local business and the attraction of investors | | | | | | 116 | 8 346 116 | 8 346 116 | 32 738 | 34 604 | 36 542 |
| To improve financial management and financial viability linked to LG financial benchmarks by 2018 | An organisation that subscribes to the attainment of benchmark standards on profitability and financial viability set for Local Government | | | | | | 199 707 | 201 944 | 201 944 | 224 674 | 237 480 | 250 779 |
| Obtaining to a clean audit by 2014 | An organisation that is committed to sound financial management practices and the attainment of a clean audit by 2015 | | | | | | | | - | - | - | - |
| | | | | | | | | | - | | - | - |
| To promote participation and effective communication with communities and stakeholders | To be a municipality that is responsive, efficient, transparent, accountable and compliant to legislation | | | | | | | | - | 5 123 | 5 415 | 5 718 |
| | | | | | | | | | - | | - | - |
| | | | | | | | | | - | | - | - |
| | | | | | | | | | - | | - | - |
| | | | | | | | | | - | | - | - |
| | | | | | | | | | - | | - | - |
| | | | | | | | | | - | | - | - |
| Allocations to other priorities | | | 2 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | 1 | - | - | - | 332 051 | 368 664 | 368 664 | 417 145 | 440 922 | 465 614 |

Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

| Strategic Objective | Goal | Goal Code | Ref | 2013/14 Audited Outcome | 2014/15 Audited Outcome | 2015/16 Audited Outcome | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|--|-----------|-----|----------------------------|----------------------------|----------------------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | | | | | | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| To provide a secure ICT infrastructure which delivers appropriate levels of data confidentiality, integrity and availability | To ensure the provision of efficient, effective and transformed human capital and sound labour relations | | | | | | 29 513 | 31 062 | 31 062 | 36 309 | 38 379 | 40 528 |
| | | | | | | | | | | | | |
| % of households earning less than R 1100 | To ensure that | | | | | | 153 627 | 156 806 | 156 806 | 175 362 | 185 358 | 195 738 |
| Promotion of economic development within the Province | To promote | | | | | | 10 743 | 11 214 | 11 214 | 13 346 | 14 107 | 14 897 |
| To improve financial management and accountability of the National Treasury | An organisation | | | | | | 46 100 | 64 725 | 64 725 | 58 613 | 61 954 | 65 423 |
| Obtaining to a clean audit by 2014 | An organisation | | | | | | | | | | | |
| To promote participation and effective consultation with communities and | To be a | | | | | | 38 696 | 40 723 | 40 723 | 45 337 | 47 921 | 50 605 |
| Total Expenditure | | | 1 | - | - | - | 278 679 | 304 530 | 304 530 | 328 967 | 347 718 | 367 190 |

Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

| Strategic Objective | Goal | Goal Code | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | | |
| To provide a secure ICT infrastructure which delivers appropriate levels of data confidentiality, integrity and availability | To ensure the provision of efficient and transformed human capital and sound labour relations | A | | | | | 1 337 | 749 | 749 | 2 190 | 2 315 | 2 444 |
| | | B | | | | | | | | | | |
| % of households earning less than R 1100 | To ensure that | C | | | | | 48 745 | 58 001 | 58 001 | 50 271 | 53 136 | 56 112 |
| | | D | | | | | | | | | | |
| Promotion of economic development within the District | To promote | E | | | | | 694 | 694 | 694 | 31 735 | 33 544 | 35 422 |
| | | F | | | | | | | | | | |
| To improve financial management and | An organisation | G | | | | | 451 | 2 700 | 2 700 | 3 673 | 3 882 | 4 100 |
| Obtaining to a clean audit by 2014 | An organisation | I | | | | | | | | | | |
| | | J | | | | | | | | | | |
| To promote participation and effective | To be a | K | | | | | 2 145 | 1 990 | 1 990 | 309 | 328 | 346 |
| Total Capital Expenditure | | | 1 | - | - | - | 53 372 | 64 134 | 64 134 | 88 178 | 93 205 | 98 425 |

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

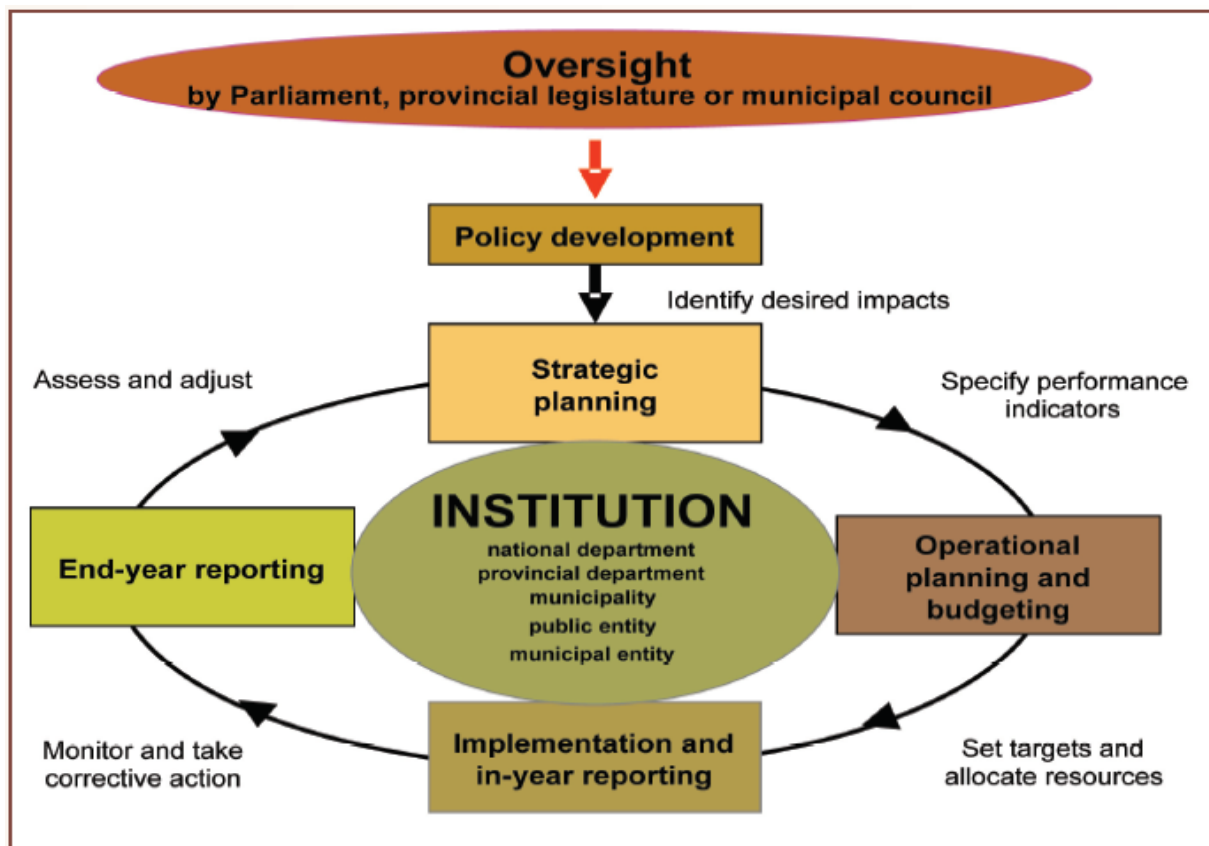


Figure 2 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

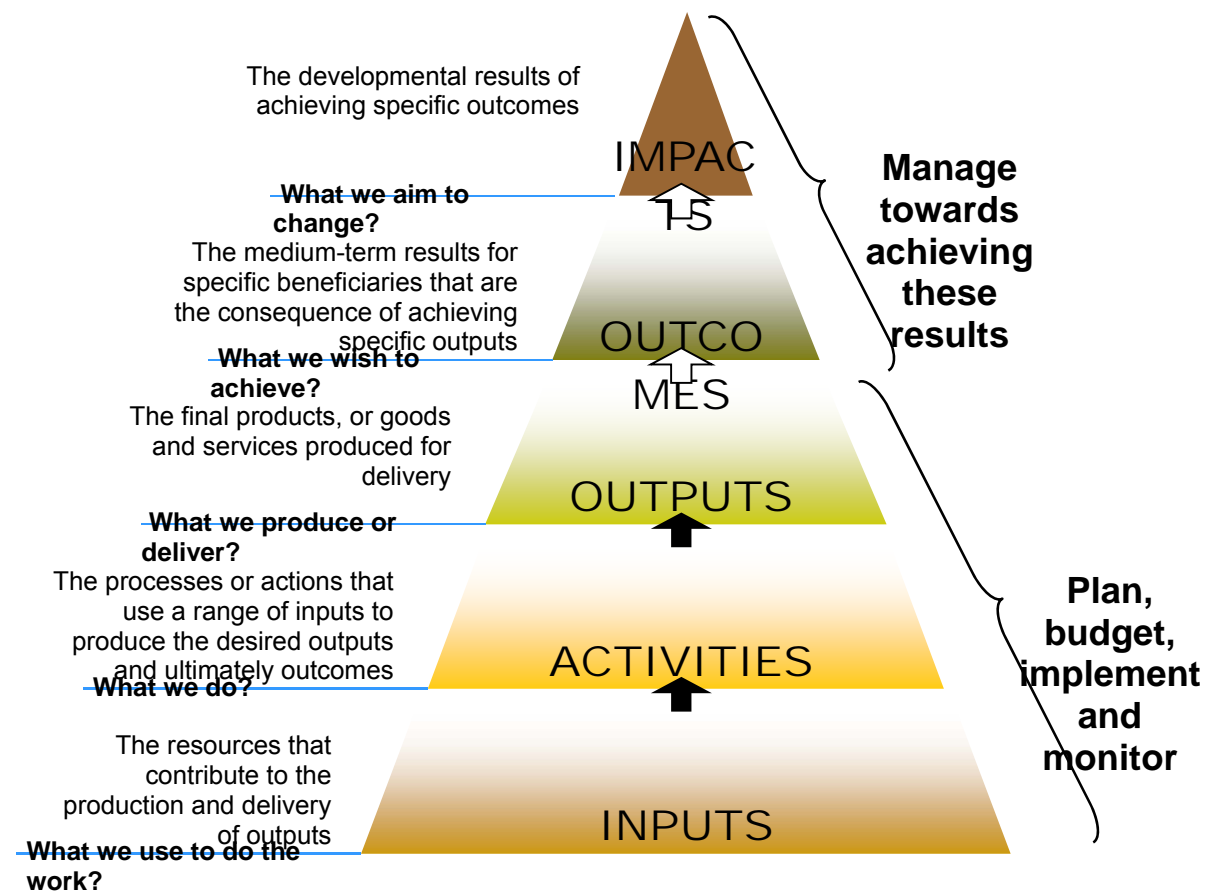


Figure 3 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table SA7 - Measurable performance objectives

The following table sets out the municipalities the municipality’s performance objectives for the 2017/18 MTREF.
Table SA7

EC141 Elundini - Supporting Table SA7 Measureable performance objectives

| Description | | Unit of measurement | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|----------------------------|---------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Vote 1: Basic Service Delivery & Infrastructure | | | | | | | | | | | |
| Roads Infrastructure | | | | | | | | | | | |
| Accelerate basic service delivery and infrastructure development | | | | | | | | | | | |
| 1. Number of households electrified | no | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. KMs of link line constructed | kmofl | | | | | | | 100.0% | 100.0% | 100.0% | |
| 3. Number of Street lights Installed | number of streetlights io | | | | | | | 100.0% | 100.0% | 100.0% | |
| 4. Number of High Mast Lights installed | number of high mast to | | | | | | | 100.0% | 100.0% | 100.0% | |
| 5. % of Street lights maintained | % of sSt | | | | | | | 100.0% | 100.0% | 100.0% | |
| 6. % of high mast lights maintained | % hig | | | | | | | 100.0% | 100.0% | 100.0% | |
| 7. Number of Smart meters installed | number of so | | | | | | | 100.0% | 100.0% | 100.0% | |
| 8. KMs of electrical network constructed/refurbished | kmof e | | | | | | | 100.0% | 100.0% | 100.0% | |
| 9. KMs of electrical network maintained | kmof e | | | | | | | 100.0% | 100.0% | 100.0% | |
| 10. KMs of paved roads constructed | kmof | | | | | | | 100.0% | 100.0% | 100.0% | |
| 11. KMs of unpaved roads constructed | kmof | | | | | | | 100.0% | 100.0% | 100.0% | |
| 12. Number of Public amenities constructed | number of p | | | | | | | 100.0% | 100.0% | 100.0% | |
| 13. KMs of roads rehabilitated | kmof | | | | | | | 100.0% | 100.0% | 100.0% | |
| 14. KMs of access roads maintained. (South of Mt Fletcher) | (south of mt fof | | | | | | | 100.0% | 100.0% | 100.0% | |
| 15. KMs of DR roads maintained under SLA | kms of dr roads maintained | | | | | | | 100.0% | 100.0% | 100.0% | |
| 16. KMs of access roads maintained under SLA (Blading) | kms of access roads | | | | | | | 100.0% | 100.0% | 100.0% | |
| 17. KMs of AC roads maintained under SLA (Patch Graveling) | kms of ac roads maintained | | | | | | | 100.0% | 100.0% | 100.0% | |
| 18. % achievement towards building of the Vehicle testing station | % achievement towards | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Number of child care facilities built/rehabilitated | no | | | | | | | 100.0% | 100.0% | 100.0% | |
| Community Services | | | | | | | | | | | |
| Accelerate basic service delivery and infrastructure development | | | | | | | | | | | |
| 19. Number of public amenities maintained | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Percentage of reported fire incidents responded to | % | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Number of households with accesses to refuse collection services | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. Number of commercial properties with access to refuse collection | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 3. Percentage of reported illegal dump sites cleared within 7 days | % | | | | | | | 100.0% | 100.0% | 100.0% | |
| 4. Number of landfill sites effectively managed | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| Vote 2: Local Economic Development | | | | | | | | | | | |
| Strategic Planning Services | | | | | | | | | | | |
| Promote Economic growth, environmental sustainability & creation of decent jobs | | | | | | | | | | | |
| 1. Number of property development projects successfully facilitated | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. Rand value of property development attracted | Rval | | | | | | | 100.0% | 100.0% | 100.0% | |
| 3. Rand value of capital budget for small town development spent | Rval | | | | | | | 100.0% | 100.0% | 100.0% | |
| 4. Number of construction job opportunities created (artisans, electricians) | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 5. Number of economic development permanent jobs created (external) | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Hectares of private land available for agricultural activities | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. Hectares of land zoned for commercial, industrial and human settlements development | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Number of jobs created through municipality's local economic development initiatives | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. Number of rural industry development projects implemented | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 3. Number of new direct investors attracted | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Number of SMMEs receiving development support from the municipality | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. % of infrastructure budget spent through local SMMEs | % | | | | | | | 100.0% | 100.0% | 100.0% | |
| Vote 3: Financial management & viability | | | | | | | | | | | |
| Budget & Treasury Office | | | | | | | | | | | |
| To improve effectiveness of governance administration and financial systems | | | | | | | | | | | |
| 1. % adherence to the compliance framework | % | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Liquidity Ratios | ratio | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. Cost Coverage Ratio | ratio | | | | | | | 100.0% | 100.0% | 100.0% | |
| 3. Debt Coverage Ratio | ratio | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. The number of households earning less than R3800 with access to free basic services | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Average number of days taken to pay creditors | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Percentage of the Municipalities capital budget actually spend on capital projects identified | % | | | | | | | 100.0% | 100.0% | 100.0% | |
| Vote 4: Municipal transformation and institutional development | | | | | | | | | | | |
| Corporate Services | | | | | | | | | | | |
| To improve effectiveness of governance administration and financial systems | | | | | | | | | | | |
| 1. Connectivity uptime to access online municipal services | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Number of security related incidents reported | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Turnaround time to fill vacant budgeted positions | No of days | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. % implementation of the allocated budget for the WSP | % | | | | | | | 100.0% | 100.0% | 100.0% | |
| 3. No of employees appointed in the three top levels of management as per the approved | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Number of council meetings held | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. % of council resolutions implemented | % | | | | | | | 100.0% | 100.0% | 100.0% | |
| Vote 5: Good governance and Public participation | | | | | | | | | | | |
| Executive & Council | | | | | | | | | | | |
| To improve effectiveness of governance administration and financial systems | | | | | | | | | | | |
| 1. Number of wards with functional committees | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 1. Number of Ethics Strategies developed | No | | | | | | | 100.0% | 100.0% | 100.0% | |
| 2. Number of risk assessments conducted | No | | | | | | | 100.0% | 100.0% | 100.0% | |

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/18 MTREF.

Table SA8 - Performance indicators and benchmarks

| Description of financial indicator | Basis of calculation | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| <u>Borrowing Management</u> | | | | | | | | | | | |
| Credit Rating | | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <u>Safety of Capital</u> | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <u>Liquidity</u> | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | - | - | - | 1.8 | 2.7 | 2.7 | 2.0 | 2.0 | 2.0 | 2.0 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | - | - | - | 1.8 | 2.7 | 2.7 | 2.0 | 2.0 | 2.0 | 2.0 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | - | - | - | 1.6 | 2.2 | 2.2 | 1.8 | 1.8 | 1.8 | 1.8 |
| <u>Revenue Management</u> | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 0.0% | 0.0% | 0.0% | 87.5% | 503.3% | 503.3% | 45.8% | 84.8% | 84.8% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 0.0% | 0.0% | 0.0% | 87.5% | 503.3% | 503.3% | 45.8% | 84.8% | 84.8% | 84.8% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 0.0% | 0.0% | 0.0% | 3.2% | 6.0% | 6.0% | 5.8% | 3.5% | 3.5% | 3.5% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| <u>Creditors Management</u> | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA' s 65(e)) | | | | | | | | | | |
| Creditors to Cash and Investments | | 0.0% | 0.0% | 0.0% | 0.0% | 24.7% | 24.7% | 49.5% | 17.7% | 13.9% | 12.4% |
| <u>Other Indicators</u> | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Water Distribution Losses (2) | Total Volume Losses (kℓ) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 0.0% | 0.0% | 0.0% | 28.8% | 24.1% | 24.1% | 31.2% | 26.3% | 26.3% | 26.3% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 0.0% | 0.0% | 0.0% | 32.7% | 28.4% | 28.4% | | 29.4% | 29.6% | 29.9% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 0.0% | 0.0% | 0.0% | 5.6% | 5.1% | 5.1% | | 6.2% | 6.2% | 6.2% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 0.0% | 0.0% | 0.0% | 15.5% | 14.0% | 14.0% | 0.0% | 14.0% | 14.0% | 14.0% |
| <u>IDP regulation financial viability indicators</u> | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | - | - | - | - | - | - | 19.4 | 60.2 | 61.3 | 69.8 |
| ii. O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 0.0% | 0.0% | 0.0% | 15.8% | 36.9% | 36.9% | 26.6% | 25.4% | 25.4% | 25.4% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | - | - | - | 2.6 | 7.3 | 7.3 | 8.9 | 8.3 | 10.6 | 11.8 |

2.3.1 Performance indicators and benchmarks

2.3.1.1 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1.5 :1 as per national treasury norm. For the 2017/18 MTREF the current ratio is 2:1 and remains 2:1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1,5:1 as per national treasury norm. 1. Anything below 1,5 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the Municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.2 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.3 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.3.1.4 Other Indicators

- The electricity distribution losses have been managed downwards from 23 per cent in the 2016/17 financial year, the plan is to reduce them to 10 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
-

- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the City's strategy to ensure the management of its asset base.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality, only registered indigents qualify for the free basic services.

For the 2016/17 financial year 9556 registered indigents have been provided for in the budget with this figured increasing to R10 000 by 2017/18. In terms of the Municipality's indigent policy registered households are entitled, 50 kwh of electricity and free waste removal, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table SA21.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of Indigent Policy

The emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also

seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

2.4.2 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2007. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

2.4.3 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in August 2009 and was amended on 16 February 2011 in respect of both Operating and Capital Budget Fund Transfers.

2.4.4 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was amended by Council in January 2011. The aim of the policy is to ensure that the City's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.5 Petty Cash Policy

The old Petty Cash Management Policy did not cater for all municipal departments, which results into the petty cash being replenished every week. In the new policy all departments have been catered for which is believed will improve day to day transacting on the petty cash.

2.4.6 Tariff Policy

The City's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Credit control Policy;
- Supply chain management Policy
- Budget Policy
- Virement Policy
- Investment Policy
- Indigent Policy
- Tariff Policy

2.5 Overview of budget assumptions

2.5.1 External factors

It must be noted that Elundini municipality is predominantly rural, therefore there are limited job opportunities within the municipal area. Be that as it may the municipality has managed to give jobs to many households through Expanded Public Works Programme. The municipality has set aside from its own reserves an amount of R2 million for the expansion of the EPWP programme in order to give more jobs to the community.

Financial resources are limited due to the non-payment of debtors, most households are indigent they cannot afford to pay municipal accounts. The municipality is forced to implement Indigent policy and write off debts for the qualifying debtors.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2017/18 MTREF:

- National Government macro economic targets;
 - The general inflationary outlook and the impact on municipality's residents and businesses;
-

- The impact of municipal cost drivers;
- The increase in prices for bulk electricity
- The increase in the cost of remuneration. Employee related costs comprise 27.7 per cent of total operating expenditure in the 2017/18 MTREF.

2.5.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (95 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.4 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2017 and shall remain in force until 30 June 2018. The salary increase that has been applied is 7.36 percent for the 2017/2018 budget year.

2.5.5 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
 - Enhancing education and skill development;
 - Improving Health services;
 - Rural development and agriculture; and
 - Fighting crime and corruption.
-

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

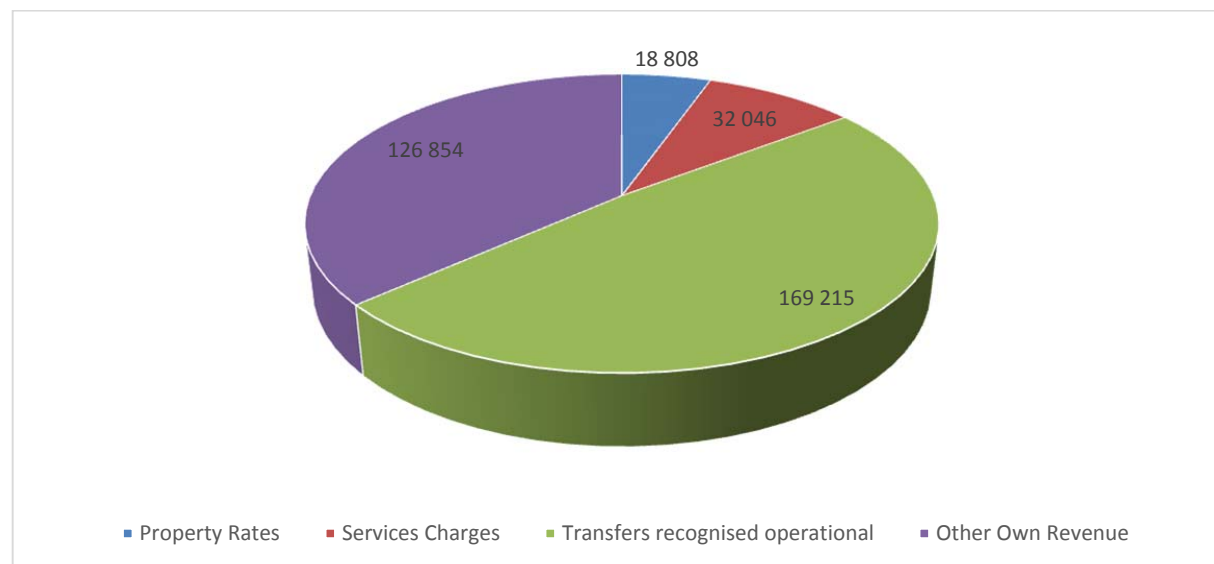
2.5.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2017/18 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following graph is a breakdown of the operational revenue per main category for the 2017/18 financial year.



Household billing Table SA14

EC141 Elundini - Supporting Table SA14 Household bills

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 % incr. | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Rand/cent | | | | | | | | | | | |
| Monthly Account for Household - 'Middle Income Range' | 1 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | | | | | | | 6.4% | 62.56 | 66.13 | 69.83 |
| Electricity: Basic levy | | | | | | | | 1.9% | 129.46 | 136.84 | 144.50 |
| Electricity: Consumption | | | | | | | | | - | - | - |
| Water: Basic levy | | | | | | | | | - | - | - |
| Water: Consumption | | | | | | | | | - | - | - |
| Sanitation | | | | | | | | | - | - | - |
| Refuse removal | | | | | | | | 6.4% | 112.56 | 118.98 | 125.64 |
| Other | | | | | | | | | - | - | - |
| sub-total | | - | - | - | - | - | - | - | 304.58 | 321.94 | 339.97 |
| VAT on Services | | | | | | | | 6.4% | 33.88 | 35.81 | 37.81 |
| Total large household bill: | | - | - | - | - | - | - | - | 338.46 | 357.75 | 377.78 |
| % increase/decrease | | | - | - | - | - | - | | - | 5.7% | 5.6% |
| Monthly Account for Household - 'Affordable Range' | 2 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | | | | | | | 6.4% | 62.56 | 66.13 | 69.83 |
| Electricity: Basic levy | | | | | | | | 1.9% | 129.46 | 136.84 | 144.50 |
| Electricity: Consumption | | | | | | | | | - | - | - |
| Water: Basic levy | | | | | | | | | - | - | - |
| Water: Consumption | | | | | | | | | - | - | - |
| Sanitation | | | | | | | | | - | - | - |
| Refuse removal | | | | | | | | 6.4% | 112.56 | 118.98 | 125.64 |
| Other | | | | | | | | | - | - | - |
| sub-total | | - | - | - | - | - | - | - | 304.58 | 321.94 | 339.97 |
| VAT on Services | | | | | | | | 6.4% | 33.88 | 35.81 | 37.81 |
| Total small household bill: | | - | - | - | - | - | - | - | 338.46 | 357.75 | 377.78 |
| % increase/decrease | | | - | - | - | - | - | | - | 5.7% | 5.6% |
| Monthly Account for Household - 'Indigent' Household receiving free basic services | 3 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | | | | | | | #DIV/0! | 62.56 | 66.13 | 69.83 |
| Electricity: Basic levy | | | | | | | | #DIV/0! | 129.46 | 136.84 | 144.50 |
| Electricity: Consumption | | | | | | | | | - | - | - |
| Water: Basic levy | | | | | | | | | - | - | - |
| Water: Consumption | | | | | | | | | - | - | - |
| Sanitation | | | | | | | | | - | - | - |
| Refuse removal | | | | | | | | #DIV/0! | 112.56 | 118.98 | 125.64 |
| Other | | | | | | | | | - | - | - |
| sub-total | | - | - | - | - | - | - | - | 304.58 | 321.94 | 339.97 |
| VAT on Services | | | | | | | | #NAME? | 33.88 | 35.81 | 37.81 |
| Total small household bill: | | - | - | - | - | - | - | - | 338.46 | 357.75 | 377.78 |
| % increase/decrease | | | - | - | - | - | - | | - | 5.7% | 5.6% |

SA15 – Detail Investment Information

| Investment type | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | |
| Parent municipality | | | | | | | | | | |
| Securities - National Government | | | | | | | | | | |
| Listed Corporate Bonds | | | | | | | | | | |
| Deposits - Bank | | | | | 75 146 | 70 238 | 70 238 | 95 497 | 100 940 | 106 593 |
| Deposits - Public Investment Commissioners | | | | | | | | | | |
| Deposits - Corporation for Public Deposits | | | | | | | | | | |
| Bankers Acceptance Certificates | | | | | | | | | | |
| Negotiable Certificates of Deposit - Banks | | | | | | | | | | |
| Guaranteed Endowment Policies (sinking) | | | | | | | | | | |
| Repurchase Agreements - Banks | | | | | | | | | | |
| Municipal Bonds | | | | | | | | | | |
| Municipality sub-total | 1 | - | - | - | 75 146 | 70 238 | 70 238 | 95 497 | 100 940 | 106 593 |
| Entities | | | | | | | | | | |
| Securities - National Government | | | | | | | | | | |
| Listed Corporate Bonds | | | | | | | | | | |
| Deposits - Bank | | | | | | | | | | |
| Deposits - Public Investment Commissioners | | | | | | | | | | |
| Deposits - Corporation for Public Deposits | | | | | | | | | | |
| Bankers Acceptance Certificates | | | | | | | | | | |
| Negotiable Certificates of Deposit - Banks | | | | | | | | | | |
| Guaranteed Endowment Policies (sinking) | | | | | | | | | | |
| Repurchase Agreements - Banks | | | | | | | | | | |
| Entities sub-total | | - | - | - | - | - | - | - | - | - |
| Consolidated total: | | - | - | - | 75 146 | 70 238 | 70 238 | 95 497 | 100 940 | 106 593 |

Table SA16 – Investment particulars by maturity

| Investments by Maturity | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/No) | Variable or Fixed Interest rate | Interest Rate * | Commission Paid (Rands) | Commission Recipient | Expiry date of Investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (€) | Investment Top Up | Closing Balance |
|---------------------------------------|-----|----------------------|--------------------|----------------------------|---------------------------------|-----------------|-------------------------|----------------------|---------------------------|-----------------|-------------------------|------------------------------------|-------------------|-----------------|
| Name of Institution & Investment ID | 1 | Yrs/Months | | | | | | | | | | | | |
| Parent municipality | | | | | | | | | | | | | | |
| FNB | | | | | | | | | | 96 389 | 436 | (9 268) | -- | 87 558 |
| STD | | | | | | | | | | 10 264 | 39 | (2 365) | -- | 7 938 |
| | | | | | | | | | | | | | -- | -- |
| | | | | | | | | | | | | | -- | -- |
| Municipality sub-total | | | | | | | | | | 106 654 | | (11 632) | -- | 95 497 |
| Entities | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | -- |
| | | | | | | | | | | | | | | -- |
| | | | | | | | | | | | | | | -- |
| | | | | | | | | | | | | | | -- |
| Entities sub-total | | | | | | | | | | -- | | -- | -- | -- |
| TOTAL INVESTMENTS AND INTEREST | 1 | | | | | | | | | 106 654 | | (11 632) | -- | 95 497 |

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R88.1 million, R93.2 million and R98.4 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2017/18 medium-term capital programme:

Table A5 Sources of capital revenue over the MTREF

| Vote Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium term Revenue & Expenditure Framework | | |
|----------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Funded by: | | | | | | | | | | | |
| National Government | | | | | 37 250 | 42 250 | 42 250 | 24 645 | 39 587 | 41 731 | 43 993 |
| Provincial Government | | | | | | | | | 30 635 | 26 442 | 20 921 |
| District Municipality | | | | | | | | | | | |
| Other transfers and grants | | | -- | | | | | | | | |
| Transfers rec | 4 | -- | -- | -- | 37 250 | 42 250 | 42 250 | 24 645 | 70 222 | 68 173 | 64 914 |
| Public contr | 5 | | | | | | | | | | |
| Borrowing | 6 | | | | | | | | | | |
| Internally generated funds | | | | | 16 122 | 21 884 | 21 884 | 9 195 | 17 956 | 25 032 | 33 510 |
| Total Capital F | 7 | -- | -- | -- | 53 372 | 64 134 | 64 134 | 33 840 | 88 178 | 93 205 | 98 424 |

Capital grants and receipts equates to 17 per cent of the total funding source which represents R70.27 million for the 2017/18 financial year and R68.1 million for 2018/2019 and R64.9 million. Growth relating to grant receipts is 69 %, and 5 per cent for the two outer years.

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R17 million in 2017/18, R25 million in 2018/19 and R33 million in 2019/20.

Table SA 18 - Capital transfers and grant receipts

| Description | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| RECEIPTS: | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| <u>Capital Transfers and Grants</u> | | | | | | | | | |
| National Government: | - | - | - | 37 250 | 42 250 | 42 250 | 39 587 | 41 731 | 43 993 |
| Municipal Infrastructure Grant (MIG) | | | | 37 250 | 42 250 | 42 250 | 39 587 | 41 731 | 43 993 |
| INEP | | | | - | - | - | | | |
| Provincial Government: | - | - | - | - | - | - | 30 635 | 26 442 | 20 921 |
| Other capital transfers/grants [insert description] | | | | | | | 30 635 | 26 442 | 20 921 |
| District Municipality: | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | |
| Other grant providers: | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | |
| Total Capital Transfers and Grants | - | - | - | 37 250 | 42 250 | 42 250 | 70 222 | 68 173 | 64 914 |
| TOTAL RECEIPTS OF TRANSFERS & GR | - | - | - | 185 579 | 196 743 | 196 743 | 239 437 | 243 616 | 234 521 |

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

Table A8 - Cash backed reserves/accumulated surplus reconciliation

| Description of financial indicator | Basis of calculation | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| <u>Borrowing Management</u> | | | | | | | | | | | |
| Credit Rating | | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <u>Safety of Capital</u> | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <u>Liquidity</u> | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | – | – | – | 1.8 | 2.7 | 2.7 | 2.0 | 2.0 | 2.0 | 2.0 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | – | – | – | 1.8 | 2.7 | 2.7 | 2.0 | 2.0 | 2.0 | 2.0 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | – | – | – | 1.6 | 2.2 | 2.2 | 1.8 | 1.8 | 1.8 | 1.8 |
| <u>Revenue Management</u> | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 0.0% | 0.0% | 0.0% | 87.5% | 503.3% | 503.3% | 45.8% | 84.8% | 84.8% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 0.0% | 0.0% | 0.0% | 87.5% | 503.3% | 503.3% | 45.8% | 84.8% | 84.8% | 84.8% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 0.0% | 0.0% | 0.0% | 3.2% | 6.0% | 6.0% | 5.8% | 3.5% | 3.5% | 3.5% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| <u>Creditors Management</u> | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within 'MFMA' s 65(e)) | | | | | | | | | | |
| Creditors to Cash and Investments | | 0.0% | 0.0% | 0.0% | 0.0% | 24.7% | 24.7% | 49.5% | 17.7% | 13.9% | 12.4% |
| <u>Other Indicators</u> | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Water Distribution Losses (2) | Total Volume Losses (kℓ) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 0.0% | 0.0% | 0.0% | 28.8% | 24.1% | 24.1% | 31.2% | 26.3% | 26.3% | 26.3% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 0.0% | 0.0% | 0.0% | 32.7% | 28.4% | 28.4% | | 29.4% | 29.6% | 29.9% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 0.0% | 0.0% | 0.0% | 5.6% | 5.1% | 5.1% | | 6.2% | 6.2% | 6.2% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 0.0% | 0.0% | 0.0% | 15.5% | 14.0% | 14.0% | 0.0% | 14.0% | 14.0% | 14.0% |
| <u>IDP regulation financial viability indicators</u> | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | – | – | – | – | – | – | 19.4 | 60.2 | 61.3 | 69.8 |
| ii. O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 0.0% | 0.0% | 0.0% | 15.8% | 36.9% | 36.9% | 26.6% | 25.4% | 25.4% | 25.4% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | – | – | – | 2.6 | 7.3 | 7.3 | 8.9 | 8.3 | 10.6 | 11.8 |

[illegible]

2.7 Expenditure on grants and reconciliations of unspent funds

Table SA19 - Expenditure on transfers and grant programmes

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | |
| EXPENDITURE: | 1 | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | – | – | – | 147 673 | 149 743 | 149 743 | 168 465 | 174 649 | 168 769 |
| Local Government Equitable Share | | | | | 129 070 | 129 070 | 129 070 | 134 116 | 137 949 | 138 913 |
| Finance Management | | | | | 1 625 | 1 625 | 1 625 | 1 700 | 1 700 | 1 700 |
| Municipal Systems Improvement | | | | | 930 | – | – | | | |
| EPWP Incentive | | | | | 1 548 | 1 548 | 1 548 | 2 649 | – | – |
| Integrated National Electrification Programme | | | | | 14 500 | 17 500 | 17 500 | 30 000 | 35 000 | 27 156 |
| Other transfers/grants [insert description] | | | | | | | | | | |
| Provincial Government: | | – | – | – | 656 | 4 750 | 4 750 | 750 | 794 | 838 |
| Sport and Recreation | | | | | 656 | 750 | 750 | 750 | 794 | 838 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Other transfers/grants [insert description] | | | | | | 4 000 | 4 000 | | | |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Total operating expenditure of Transfers and Grants: | | – | – | – | 148 329 | 154 493 | 154 493 | 169 215 | 175 443 | 169 607 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | – | – | – | 37 250 | 42 250 | 42 250 | 39 587 | 41 731 | 43 993 |
| Municipal Infrastructure Grant (MIG) | | | | | 37 250 | 42 250 | 42 250 | 39 587 | 41 731 | 43 993 |
| | | | | | | | | | | |
| INEP | | | | | – | – | – | – | – | – |
| Provincial Government: | | – | – | – | – | – | – | 30 635 | 26 442 | 20 921 |
| Other capital transfers/grants [insert description] | | | | | | – | – | 30 635 | 26 442 | 20 921 |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| [insert description] | | | | | | | | | | |
| Total capital expenditure of Transfers and Grants | | – | – | – | 37 250 | 42 250 | 42 250 | 70 222 | 68 173 | 64 914 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | – | – | – | 185 579 | 196 743 | 196 743 | 239 437 | 243 616 | 234 521 |

2.8 Councilors and employee benefits

Table SA22 - Summary of councilors and staff benefits

| Summary of Employee and Councillor remuneration | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | 1 | | | | | | | | | |
| Basic Salaries and Wages | | | | | 7 646 | 9 764 | 9 764 | 7 402 | 7 898 | 8 420 |
| Pension and UIF Contributions | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | |
| Motor Vehicle Allowance | | | | | 3 013 | 3 113 | 3 113 | 2 289 | 2 442 | 2 603 |
| Cellphone Allowance | | | | | 882 | 1 105 | 1 105 | 775 | 827 | 882 |
| Housing Allowances | | | | | | | | | | |
| Other benefits and allowances | | | | | | | | 122 | 131 | 139 |
| Sub Total - Councillors | | - | - | - | 11 541 | 13 982 | 13 982 | 10 589 | 11 298 | 12 044 |
| % increase | 4 | | - | - | - | 21.2% | - | (24.3%) | 6.7% | 6.6% |
| Senior Managers of the Municipality | 2 | | | | | | | | | |
| Basic Salaries and Wages | | | | | 4 705 | 4 705 | 4 705 | 3 823 | 4 079 | 4 348 |
| Pension and UIF Contributions | | | | | 193 | 193 | 193 | 549 | 585 | 624 |
| Medical Aid Contributions | | | | | 188 | 188 | 188 | 124 | 132 | 141 |
| Overtime | | | | | | | | | | |
| Performance Bonus | | | | | 652 | 652 | 652 | 1 222 | 1 303 | 1 389 |
| Motor Vehicle Allowance | 3 | | | | 1 321 | 1 321 | 1 321 | 1 202 | 1 283 | 1 368 |
| Cellphone Allowance | 3 | | | | | | | | | |
| Housing Allowances | 3 | | | | | | | 170 | 182 | 194 |
| Other benefits and allowances | 3 | | | | 571 | 571 | 571 | 263 | 281 | 300 |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | | | | | | | | | |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| Sub Total - Senior Managers of Municipality | | - | - | - | 7 630 | 7 630 | 7 630 | 7 353 | 7 845 | 8 363 |
| % increase | 4 | | - | - | - | (0.0%) | - | (3.6%) | 6.7% | 6.6% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | | | | 45 068 | 39 073 | 39 073 | 59 395 | 63 374 | 67 557 |
| Pension and UIF Contributions | | | | | 9 445 | 9 445 | 9 445 | 10 904 | 11 635 | 12 403 |
| Medical Aid Contributions | | | | | 7 529 | 7 529 | 7 529 | 3 754 | 4 006 | 4 270 |
| Overtime | | | | | 1 703 | 1 703 | 1 703 | | | |
| Performance Bonus | | | | | 1 455 | 1 455 | 1 455 | 1 579 | 1 684 | 1 796 |
| Motor Vehicle Allowance | 3 | | | | 7 785 | 7 785 | 7 785 | 2 736 | 2 919 | 3 112 |
| Cellphone Allowance | 3 | | | | 763 | 763 | 763 | | | |
| Housing Allowances | 3 | | | | 357 | 357 | 357 | 131 | 140 | 149 |
| Other benefits and allowances | 3 | | | | 2 727 | 2 727 | 2 727 | 5 389 | 5 750 | 6 130 |
| Payments in lieu of leave | | | | | 254 | 254 | 254 | | | |
| Long service awards | | | | | 56 | 56 | 56 | | | |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| Sub Total - Other Municipal Staff | | - | - | - | 77 142 | 71 148 | 71 148 | 83 889 | 89 509 | 95 417 |
| % increase | 4 | | - | - | - | (7.8%) | - | 17.9% | 6.7% | 6.6% |
| Total Parent Municipality | | - | - | - | 96 313 | 92 759 | 92 759 | 101 830 | 108 653 | 115 824 |
| | | | - | - | - | (3.7%) | - | 9.8% | 6.7% | 6.6% |

Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

| Disclosure of Salaries, Allowances & Benefits 1. | Ref | No. | Salary | Contributions | Allowances | Performance Bonuses | In-kind benefits | Total Package |
|---|------|-----|------------|---------------|------------|---------------------|------------------|---------------|
| Rand per annum | | | | 1. | | | | 2. |
| Councillors | 3 | | | | | | | |
| Speaker | 4 | | 517 760 | | 200 446 | | | 718 206 |
| Chief Whip | | | 248 238 | | 109 024 | | | 357 262 |
| Executive Mayor | | | 580 768 | | 219 867 | | | 800 635 |
| Deputy Executive Mayor | | | | | | | | - |
| Executive Committee | | | 3 151 933 | | 1 402 166 | | | 4 554 099 |
| Total for all other councillors | | | 5 988 156 | | 2 597 982 | | | 8 586 138 |
| Total Councillors | 8 | - | 10 486 855 | - | 4 529 485 | | | 15 016 340 |
| Senior Managers of the Municipality | 5 | | | | | | | |
| Municipal Manager (MM) | | | 665 731 | 261 000 | 256 764 | 165 745 | | 1 349 240 |
| Chief Finance Officer | | | 567 627 | 339 975 | 138 264 | 79 995 | | 1 125 861 |
| Corporate services Manager | | | 556 924 | 233 483 | 133 057 | 160 000 | | 1 083 464 |
| Community services Manager | | | 543 991 | 91 553 | 128 020 | 278 885 | | 1 042 449 |
| Strategic Development Manager | | | 770 589 | 256 447 | 180 000 | 168 985 | | 1 376 021 |
| Infrastructure Planning & Development | | | 717 658 | 328 824 | 160 000 | 168 908 | | 1 375 390 |
| <i>List of each official with packages >= senior manager</i> | | | | | | | | |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| Total Senior Managers of the Municipality | 8,10 | - | 3 822 520 | 1 511 282 | 996 105 | 1 022 518 | | 7 352 425 |

(Note that National Treasury has deliberately left the above table blank so as not to appear to be setting benchmarks for acceptable remuneration levels for the relevant positions. Municipalities MUST, however, provide the required information as applicable to their municipalities)

Table SA24 –Summary of personnel numbers

[illegible]

Table SA25 - Budgeted monthly revenue and expenditure

| Description | | Ref | Budget Year 2017/18 | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | | |
|--|--|-----|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---|---------------------|------------------------|------------------------|--------|
| R thousand | | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 | |
| Revenue By Source | | | | | | | | | | | | | | | | | | |
| Property rates | | | 1 567 000.00 | 1 567 | 1 567 | 1 567 | 1 567 | 1 567 | 1 567 | 1 567 | 1 567 | 1 567 | 1 567 | 1 567 | 18 804 | 19 876 | 20 989 | |
| Service charges - electricity revenue | | | 2 026 629.75 | 2 027 | 2 027 | 2 027 | 2 027 | 2 027 | 2 027 | 2 027 | 2 027 | 2 027 | 2 027 | 2 027 | 24 320 | 25 706 | 27 145 | |
| Service charges - water revenue | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Service charges - sanitation revenue | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Service charges - refuse revenue | | | 415 000.00 | 315 | 315 | 215 | 215 | 215 | 250 | 200 | 150 | 120 | 150 | 184 | 2 744 | 2 900 | 3 063 | |
| Service charges - other | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Rental of facilities and equipment | | | 125 021.25 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 1 500 | 1 586 | 1 675 | |
| Interest earned - external investments | | | 133 000.00 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 1 596 | 1 687 | 1 781 | |
| Interest earned - outstanding debtors | | | 158 270.00 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 1 899 | 2 007 | 2 120 | |
| Dividends received | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Fines, penalties and forfeits | | | 9 120.08 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 109 | 116 | 122 | |
| Licences and permits | | | 201 520.92 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 202 | 2 418 | 2 556 | 2 699 | |
| Agency services | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Transfers and subsidies | | | ##### | - | - | - | 60 963 | - | - | - | 60 964 | - | - | - | 169 215 | 175 443 | 169 607 | |
| Other revenue | | | ##### | 10 332 | 10 332 | 10 332 | 10 332 | 10 332 | 10 332 | 10 332 | 10 332 | 10 332 | 10 332 | 10 332 | 123 982 | 134 466 | 157 657 | |
| Gains on disposal of PPE | | | 27 930.00 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 335 | 354 | 374 | |
| Total Revenue (excluding capital transfers and contributions) | | | 62 283 | 14 895 | 14 895 | 14 795 | 75 758 | 14 795 | 14 830 | 14 780 | 75 694 | 14 700 | 14 730 | 14 764 | 346 923 | 366 697 | 387 233 | |
| Expenditure By Type | | | | | | | | | | | | | | | | | | |
| Employee related costs | | | 7 603 447.17 | 7 603 | 7 603 | 7 603 | 7 603 | 7 603 | 7 603 | 7 603 | 7 603 | 7 603 | 7 603 | 7 603 | 91 241 | 96 442 | 101 843 | |
| Remuneration of councillors | | | 882 377.00 | 882 | 882 | 882 | 882 | 882 | 882 | 882 | 882 | 882 | 882 | 882 | 10 589 | 11 192 | 11 819 | |
| Debt impairment | | | 750 000.00 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 9 000 | 9 513 | 10 046 | |
| Depreciation & asset impairment | | | 4 055 261.00 | 4 055 | 4 055 | 4 055 | 4 055 | 4 055 | 4 055 | 4 055 | 4 055 | 4 055 | 4 055 | 4 055 | 48 663 | 51 437 | 54 317 | |
| Finance charges | | | 4 433.33 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 53 | 56 | 59 | |
| Bulk purchases | | | 2 065 402.50 | 2 065 | 2 065 | 2 065 | 2 065 | 2 065 | 2 065 | 2 065 | 2 065 | 2 065 | 2 065 | 2 065 | 24 785 | 26 198 | 27 665 | |
| Other materials | | | 1 756 356.92 | 1 756 | 1 756 | 1 756 | 1 756 | 1 756 | 1 756 | 1 756 | 1 756 | 1 756 | 1 756 | 1 756 | 21 076 | 22 278 | 23 525 | |
| Contracted services | | | 1 153 011.08 | 1 153 | 1 153 | 1 153 | 1 153 | 1 153 | 1 153 | 1 153 | 1 153 | 1 153 | 1 153 | 1 153 | 13 836 | 14 625 | 15 444 | |
| Transfers and subsidies | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other expenditure | | | 9 143 639.33 | 9 144 | 9 144 | 9 144 | 9 144 | 9 144 | 9 144 | 9 144 | 9 144 | 9 144 | 9 144 | 9 144 | 109 724 | 115 978 | 122 473 | |
| Loss on disposal of PPE | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Expenditure | | | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 328 967 | 347 718 | 367 190 | |
| Surplus/(Deficit) | | | 34 869 | (12 519) | (12 519) | (12 619) | 48 344 | (12 619) | (12 584) | (12 634) | 48 280 | (12 714) | (12 684) | (12 649) | 17 956 | 18 979 | 20 042 | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | ##### | | | | 21 907 | | | | 21 907 | | | 4 501 | 70 222 | 74 225 | 78 381 | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | | | | | | | | | | | | | - | - | - | - | |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | | | | | | | - | - | - | - | |
| Surplus/(Deficit) after capital transfers & contributions | | | 56 776 | (12 519) | (12 519) | (12 619) | 70 251 | (12 619) | (12 584) | (12 634) | 70 187 | (12 714) | (12 684) | (8 148) | 88 178 | 93 204 | 98 424 | |
| Taxation | | | | | | | | | | | | | | - | - | - | - | |
| Attributable to minorities | | | | | | | | | | | | | | - | - | - | - | |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | | - | - | - | - | |
| Surplus/(Deficit) | | | 1 | 56 776 | (12 519) | (12 519) | (12 619) | 70 251 | (12 619) | (12 584) | (12 634) | 70 187 | (12 714) | (12 684) | (8 148) | 88 178 | 93 204 | 98 424 |

Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)

| Description | Ref | Budget Year 2017/18 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|-----|---------------------|--------|--------|---------|----------|----------|---------|----------|--------|--------|--------|--------|---|------------------------|------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | | | | | | |
| Revenue by Vote | | | | | | | | | | | | | | | | |
| Vote 1 - Executive & Council | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 2 - Budget & Treasury | | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 224 674 | 237 480 | 250 779 |
| Vote 3 - Corporate services | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 4 - Community Services | | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 925 | 11 100 | 11 733 | 12 390 |
| Vote 5 - Strategic Planning & Development | | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 30 758 | 32 512 | 34 332 |
| Vote 6 - Infrastructure Development & Planning | | 12 551 | 12 551 | 12 551 | 12 551 | 12 551 | 12 551 | 12 551 | 12 551 | 12 551 | 12 551 | 12 551 | 12 551 | 150 613 | 159 198 | 168 113 |
| Vote 7 - [NAME OF VOTE 7] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 8 - [NAME OF VOTE 8] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 9 - [NAME OF VOTE 9] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 10 - [NAME OF VOTE 10] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 11 - [NAME OF VOTE 11] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 12 - [NAME OF VOTE 12] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 13 - [NAME OF VOTE 13] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 14 - [NAME OF VOTE 14] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 15 - [NAME OF VOTE 15] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Revenue by Vote | | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 417 145 | 440 922 | 465 614 |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | | |
| Vote 1 - Executive & Council | | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 45 337 | 47 921 | 50 604 |
| Vote 2 - Budget & Treasury | | 4 884 | 4 884 | 4 884 | 4 884 | 4 884 | 4 884 | 4 884 | 4 884 | 4 884 | 4 884 | 4 884 | 4 884 | 58 613 | 61 954 | 65 424 |
| Vote 3 - Corporate services | | 3 026 | 3 026 | 3 026 | 3 026 | 3 026 | 3 026 | 3 026 | 3 026 | 3 026 | 3 026 | 3 026 | 3 026 | 36 309 | 38 378 | 40 528 |
| Vote 4 - Community Services | | 3 606 | 3 606 | 3 606 | 3 606 | 3 606 | 3 606 | 3 606 | 3 606 | 3 606 | 3 606 | 3 606 | 3 606 | 43 273 | 45 739 | 48 301 |
| Vote 5 - Strategic Planning & Development | | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 10 301 | 10 888 | 11 498 |
| Vote 6 - Infrastructure Development & Planning | | 11 261 | 11 261 | 11 261 | 11 261 | 11 261 | 11 261 | 11 261 | 11 261 | 11 261 | 11 261 | 11 261 | 11 261 | 135 134 | 142 837 | 150 836 |
| Vote 7 - [NAME OF VOTE 7] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 8 - [NAME OF VOTE 8] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 9 - [NAME OF VOTE 9] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 10 - [NAME OF VOTE 10] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 11 - [NAME OF VOTE 11] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 12 - [NAME OF VOTE 12] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 13 - [NAME OF VOTE 13] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 14 - [NAME OF VOTE 14] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Vote 15 - [NAME OF VOTE 15] | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Expenditure by Vote | | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 328 967 | 347 718 | 367 190 |
| Surplus/(Deficit) before assoc. | | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 88 178 | 93 205 | 98 424 |
| Taxation | | | | | | | | | | | | | — | — | — | — |
| Attributable to minorities | | | | | | | | | | | | | — | — | — | — |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | — | — | — | — |
| Surplus/(Deficit) | 1 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 88 178 | 93 205 | 98 424 |

| Description | Ref | Budget Year 2017/18 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|-----|---------------------|--------|--------|---------|----------|----------|---------|----------|--------|--------|--------|--------|---|------------------------|------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | | | | | | | |
| Governance and administration | | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 224 674 | 237 480 | 250 779 |
| Executive and council | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Finance and administration | | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 18 723 | 224 674 | 237 480 | 250 779 |
| Internal audit | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Community and public safety | | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 5 892 | 6 227 | 6 576 |
| Community and social services | | 286 | 286 | 286 | 286 | 286 | 286 | 286 | 286 | 286 | 286 | 286 | 286 | 3 426 | 3 622 | 3 824 |
| Sport and recreation | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 20 | 21 | 23 |
| Public safety | | 204 | 204 | 204 | 204 | 204 | 204 | 204 | 204 | 204 | 204 | 204 | 204 | 2 445 | 2 585 | 2 729 |
| Housing | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Health | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Economic and environmental services | | 10 365 | 10 365 | 10 365 | 10 365 | 10 365 | 10 365 | 10 365 | 10 365 | 10 365 | 10 365 | 10 365 | 10 365 | 124 384 | 131 474 | 138 837 |
| Planning and development | | 2 728 | 2 728 | 2 728 | 2 728 | 2 728 | 2 728 | 2 728 | 2 728 | 2 728 | 2 728 | 2 728 | 2 728 | 32 738 | 34 604 | 36 542 |
| Road transport | | 7 637 | 7 637 | 7 637 | 7 637 | 7 637 | 7 637 | 7 637 | 7 637 | 7 637 | 7 637 | 7 637 | 7 637 | 91 647 | 96 870 | 102 295 |
| Environmental protection | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Trading services | | 5 183 | 5 183 | 5 183 | 5 183 | 5 183 | 5 183 | 5 183 | 5 183 | 5 183 | 5 183 | 5 183 | 5 183 | 62 196 | 65 741 | 69 422 |
| Energy sources | | 4 756 | 4 756 | 4 756 | 4 756 | 4 756 | 4 756 | 4 756 | 4 756 | 4 756 | 4 756 | 4 756 | 4 756 | 57 071 | 60 324 | 63 702 |
| Water management | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Waste water management | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Waste management | | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 5 125 | 5 417 | 5 720 |
| Other | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Revenue - Functional | | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 34 762 | 417 145 | 440 922 | 465 614 |
| Expenditure - Functional | | | | | | | | | | | | | | | | |
| Governance and administration | | 11 688 | 11 688 | 11 688 | 11 688 | 11 688 | 11 688 | 11 688 | 11 688 | 11 688 | 11 688 | 11 688 | 11 688 | 140 259 | 148 254 | 156 556 |
| Executive and council | | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 3 778 | 45 337 | 47 921 | 50 604 |
| Finance and administration | | 7 910 | 7 910 | 7 910 | 7 910 | 7 910 | 7 910 | 7 910 | 7 910 | 7 910 | 7 910 | 7 910 | 7 910 | 94 922 | 100 333 | 105 951 |
| Internal audit | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Community and public safety | | 2 008 | 2 008 | 2 008 | 2 008 | 2 008 | 2 008 | 2 008 | 2 008 | 2 008 | 2 008 | 2 008 | 2 008 | 24 096 | 25 470 | 26 896 |
| Community and social services | | 521 | 521 | 521 | 521 | 521 | 521 | 521 | 521 | 521 | 521 | 521 | 521 | 6 252 | 6 608 | 6 978 |
| Sport and recreation | | 656 | 656 | 656 | 656 | 656 | 656 | 656 | 656 | 656 | 656 | 656 | 656 | 7 876 | 8 325 | 8 791 |
| Public safety | | 831 | 831 | 831 | 831 | 831 | 831 | 831 | 831 | 831 | 831 | 831 | 831 | 9 969 | 10 537 | 11 127 |
| Housing | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Health | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Economic and environmental services | | 6 106 | 6 106 | 6 106 | 6 106 | 6 106 | 6 106 | 6 106 | 6 106 | 6 106 | 6 106 | 6 106 | 6 106 | 73 277 | 77 453 | 81 791 |
| Planning and development | | 1 112 | 1 112 | 1 112 | 1 112 | 1 112 | 1 112 | 1 112 | 1 112 | 1 112 | 1 112 | 1 112 | 1 112 | 13 346 | 14 107 | 14 897 |
| Road transport | | 4 994 | 4 994 | 4 994 | 4 994 | 4 994 | 4 994 | 4 994 | 4 994 | 4 994 | 4 994 | 4 994 | 4 994 | 59 930 | 63 347 | 66 894 |
| Environmental protection | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Trading services | | 7 611 | 7 611 | 7 611 | 7 611 | 7 611 | 7 611 | 7 611 | 7 611 | 7 611 | 7 611 | 7 611 | 7 611 | 91 335 | 96 541 | 101 947 |
| Energy sources | | 6 109 | 6 109 | 6 109 | 6 109 | 6 109 | 6 109 | 6 109 | 6 109 | 6 109 | 6 109 | 6 109 | 6 109 | 73 303 | 77 482 | 81 820 |
| Water management | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Waste water management | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Waste management | | 1 503 | 1 503 | 1 503 | 1 503 | 1 503 | 1 503 | 1 503 | 1 503 | 1 503 | 1 503 | 1 503 | 1 503 | 18 032 | 19 059 | 20 127 |
| Other | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Expenditure - Functional | | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 27 414 | 328 967 | 347 718 | 367 190 |
| Surplus/(Deficit) before assoc. | | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 88 178 | 93 205 | 98 424 |
| Share of surplus/ (deficit) of associate | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) | 1 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 88 178 | 93 205 | 98 424 |

Table SA28 - Budgeted monthly capital expenditure (municipal vote)

| Description | Ref | Budget Year 2017/18 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|-----|---------------------|--------|--------|---------|-------|--------|---------|-------|--------|-------|-------|--------|---|------------------------|------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 1 | | | | | | | | | | | | | | | |
| Vote 1 - [NAME OF VOTE 1] | | | | | | | | | | | | | | - | - | - |
| Vote 2 - [NAME OF VOTE 2] | | | | | | | | | | | | | | - | - | - |
| Vote 3 - [NAME OF VOTE 3] | | | | | | | | | | | | | | - | - | - |
| Vote 4 - [NAME OF VOTE 4] | | | | | | | | | | | | | | - | - | - |
| Vote 5 - [NAME OF VOTE 5] | | | | | | | | | | | | | | - | - | - |
| Vote 6 - [NAME OF VOTE 6] | | | | | | | | | | | | | | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | | | | | | | | | | | | | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | | | | | | | | | | | | | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | | | | | | | | | | | | | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | | - | - | - |
| Capital multi-year expenditure sub-total | 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Single-year expenditure to be appropriated | | | | | | | | | | | | | | | | |
| Vote 1 - [NAME OF VOTE 1] | | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 25 | 309 | 326 | 344 |
| Vote 2 - [NAME OF VOTE 2] | | 306 | 306 | 306 | 306 | 306 | 306 | 306 | 306 | 306 | 306 | 306 | 307 | 3 673 | 3 882 | 4 100 |
| Vote 3 - [NAME OF VOTE 3] | | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 2 081 | 2 190 | 2 315 | 2 444 |
| Vote 4 - [NAME OF VOTE 4] | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 1 721 | 1 812 | 1 915 | 2 023 |
| Vote 5 - [NAME OF VOTE 5] | | - | - | 6 808 | - | - | 6 808 | - | - | 6 808 | - | - | 11 311 | 31 735 | 33 544 | 35 422 |
| Vote 6 - [NAME OF VOTE 6] | | 4 044 | 4 044 | 4 044 | 4 044 | 4 044 | 4 044 | 4 044 | 4 044 | 4 044 | 4 044 | 4 044 | 3 975 | 48 459 | 51 221 | 54 091 |
| Vote 7 - [NAME OF VOTE 7] | | | | | | | | | | | | | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | | | | | | | | | | | | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | | | | | | | | | | | | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | - | - | - | - |
| Capital single-year expenditure sub-total | 2 | 4 394 | 4 394 | 11 202 | 4 394 | 4 394 | 11 202 | 4 394 | 4 394 | 11 202 | 4 394 | 4 394 | 19 420 | 88 178 | 93 204 | 98 424 |
| Total Capital Expenditure | 2 | 4 394 | 4 394 | 11 202 | 4 394 | 4 394 | 11 202 | 4 394 | 4 394 | 11 202 | 4 394 | 4 394 | 19 420 | 88 178 | 93 204 | 98 424 |

Table SA29 - Budgeted monthly capital expenditure (standard classification)

| Description | Ref | Budget Year 2017/18 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|----------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---|------------------------|------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Capital Expenditure - Functional | 1 | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | | 514 | 514 | 514 | 514 | 514 | 514 | 514 | 514 | 514 | 514 | 514 | 514 | 6 172 | 6 524 | 6 889 |
| Executive and council | | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 309 | 327 | 345 |
| Finance and administration | | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 5 863 | 6 197 | 6 544 |
| Internal audit | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| <i>Community and public safety</i> | | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 1 012 | 1 070 | 1 130 |
| Community and social services | | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 119 | 126 | 133 |
| Sport and recreation | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 100 | 106 | 112 |
| Public safety | | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 793 | 839 | 886 |
| Housing | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Health | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| <i>Economic and environmental services</i> | | 6 308 | 6 308 | 6 308 | 6 308 | 6 308 | 6 308 | 6 308 | 6 308 | 6 308 | 6 308 | 6 308 | 6 308 | 75 694 | 80 008 | 84 489 |
| Planning and development | | 2 645 | 2 645 | 2 645 | 2 645 | 2 645 | 2 645 | 2 645 | 2 645 | 2 645 | 2 645 | 2 645 | 2 645 | 31 735 | 33 544 | 35 422 |
| Road transport | | 3 663 | 3 663 | 3 663 | 3 663 | 3 663 | 3 663 | 3 663 | 3 663 | 3 663 | 3 663 | 3 663 | 3 663 | 43 959 | 46 464 | 49 066 |
| Environmental protection | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| <i>Trading services</i> | | 442 | 442 | 442 | 442 | 442 | 442 | 442 | 442 | 442 | 442 | 442 | 442 | 5 300 | 5 603 | 5 916 |
| Energy sources | | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 4 500 | 4 757 | 5 023 |
| Water management | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Waste water management | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Waste management | | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 800 | 846 | 893 |
| <i>Other</i> | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Capital Expenditure - Functional | 2 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 88 178 | 93 205 | 98 424 |
| Funded by: | | | | | | | | | | | | | | | | |
| National Government | | 3 299 | 3 299 | 3 299 | 3 299 | 3 299 | 3 299 | 3 299 | 3 299 | 3 299 | 3 299 | 3 299 | 3 299 | 39 587 | 41 731 | 43 993 |
| Provincial Government | | 2 553 | 2 553 | 2 553 | 2 553 | 2 553 | 2 553 | 2 553 | 2 553 | 2 553 | 2 553 | 2 553 | 2 553 | 30 635 | 26 442 | 20 921 |
| District Municipality | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other transfers and grants | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Transfers recognised - capital | | 5 852 | 5 852 | 5 852 | 5 852 | 5 852 | 5 852 | 5 852 | 5 852 | 5 852 | 5 852 | 5 852 | 5 852 | 70 222 | 68 173 | 64 914 |
| Public contributions & donations | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Borrowing | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Internally generated funds | | 1 496 | 1 496 | 1 496 | 1 496 | 1 496 | 1 496 | 1 496 | 1 496 | 1 496 | 1 496 | 1 496 | 1 496 | 17 956 | 25 032 | 33 510 |
| Total Capital Funding | | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 7 348 | 88 178 | 93 205 | 98 424 |

| MONTHLY CASH FLOWS | Budget Year 2017/18 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|---------------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---|------------------------|------------------------|
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | | | | | |
| Cash Receipts By Source | | | | | | | | | | | | | 1 | | |
| Property rates | 273 | 938 | 1 245 | 2 632 | 2 847 | 1 479 | 647 | 659 | 1 040 | 681 | 608 | 1 993 | 15 043 | 15 900 | 16 791 |
| Service charges - electricity revenue | 536 | 565 | 802 | 591 | 1 072 | 2 015 | 1 708 | 1 662 | 2 608 | 3 119 | 3 992 | 2 987 | 21 656 | 22 890 | 24 172 |
| Service charges - water revenue | | | | | | | | | | | | - | - | - | - |
| Service charges - sanitation revenue | | | | | | | | 2 | | | 1 | (0) | 3 | 3 | 4 |
| Service charges - refuse revenue | 272 | 291 | 245 | 247 | 141 | 86 | 198 | 201 | 176 | 181 | 78 | 79 | 2 195 | 2 320 | 2 450 |
| Service charges - other | | | | | | | | | | | | - | - | - | - |
| Rental of facilities and equipment | 85 | 76 | 66 | 75 | 73 | 81 | 90 | 101 | 114 | 100 | 175 | 164 | 1 200 | 1 268 | 1 339 |
| Interest earned - external investments | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 66 | 1 276 | 1 349 | 1 424 |
| Interest earned - outstanding debtors | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 51 | 1 519 | 1 606 | 1 695 |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 20 | 5 | 2 | 5 | 8 | 7 | 3 | 4 | 7 | 4 | 5 | 5 | 73 | 78 | 82 |
| Licences and permits | 215 | 159 | 139 | 108 | 167 | 180 | 155 | 114 | 122 | 215 | 105 | 255 | 1 934 | 2 044 | 2 159 |
| Agency services | | | | | | | | | | | | - | - | - | - |
| Transfer receipts - operational | 56 406 | | | | 56 404 | | | | 56 404 | | | (0) | 169 215 | 175 443 | 169 607 |
| Other revenue | 3 333 | 3 333 | 3 333 | 3 333 | 3 333 | 3 833 | 3 833 | 3 833 | 3 833 | 3 833 | 3 833 | 2 118 | 41 785 | 44 167 | 46 640 |
| Cash Receipts by Source | 61 384 | 5 611 | 6 075 | 7 235 | 64 288 | 7 924 | 6 878 | 6 821 | 64 548 | 8 376 | 9 040 | 7 718 | 255 900 | 267 069 | 266 364 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfer receipts - capital | 23 407 | - | - | - | 23 407 | - | - | - | 23 407 | - | - | 0 | 70 222 | 68 173 | 64 914 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind all) | | | | | | | | | | | | - | - | - | - |
| Proceeds on disposal of PPE | | | | | | | | | | | | - | - | - | - |
| Short term loans | | | | | | | | | | | | - | - | - | - |
| Borrowing long term/refinancing | | | | | | | | | | | | - | - | - | - |
| Increase (decrease) in consumer deposits | | | | | | | | | | | | - | - | - | - |
| Decrease (Increase) in non-current debtors | | | | | | | | | | | | - | - | - | - |
| Decrease (increase) other non-current receivables | | | | | | | | | | | | - | - | - | - |
| Decrease (increase) in non-current investments | | | | | | | | | | | | - | - | - | - |
| Total Cash Receipts by Source | 84 791 | 5 611 | 6 075 | 7 235 | 87 696 | 7 924 | 6 878 | 6 821 | 87 956 | 8 376 | 9 040 | 7 718 | 326 122 | 335 242 | 331 278 |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| Employee related costs | 7 323 | 7 255 | 8 086 | 7 577 | 7 505 | 7 857 | 7 637 | 8 289 | 7 850 | 7 790 | 7 836 | 6 237 | 91 241 | 90 328 | 96 289 |
| Remuneration of councillors | 880 | 874 | 873 | 894 | 885 | 885 | 881 | 1 193 | 819 | 909 | 863 | 634 | 10 589 | 11 298 | 12 044 |
| Finance charges | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 50 | 53 | 56 |
| Bulk purchases - Electricity | 2 398 | 2 506 | 2 211 | 2 295 | 2 345 | 2 265 | 2 213 | 2 280 | 1 225 | 2 329 | 1 393 | 1 326 | 24 785 | 26 198 | 27 665 |
| Bulk purchases - Water & Sewer | | | | | | | | | | | | - | - | - | - |
| Other materials | 791 | 1 786 | 1 824 | 1 599 | 1 652 | 1 840 | 1 730 | 1 804 | 2 355 | 2 207 | 1 494 | 1 994 | 21 076 | 22 284 | 23 532 |
| Contracted services | 835 | 243 | 293 | 422 | 566 | 969 | 1 010 | 208 | 357 | 643 | 206 | 250 | 6 003 | 6 345 | 6 701 |
| Transfers and grants - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and grants - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expenditure | 4 092 | 6 410 | 10 430 | 4 419 | 5 104 | 9 266 | 3 195 | 2 933 | 4 088 | 3 233 | 5 427 | - | 58 598 | 61 938 | 65 407 |
| Cash Payments by Type | 16 322 | 19 078 | 23 723 | 17 210 | 18 061 | 23 086 | 16 671 | 16 710 | 16 696 | 17 116 | 17 223 | 10 446 | 212 342 | 218 444 | 231 693 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | | | - | 6 400 | 7 869 | 7 800 | 7 800 | 6 800 | 7 550 | 8 800 | 8 700 | 8 503 | 70 222 | 68 173 | 64 914 |
| Repayment of borrowing | | | | | | | | | | | | - | - | - | - |
| Other Cash Flows/Payments | | | | | | | | | | | | - | - | - | - |
| Total Cash Payments by Type | 16 322 | 19 078 | 23 723 | 23 610 | 25 930 | 30 886 | 24 471 | 23 510 | 24 246 | 25 916 | 25 923 | 18 949 | 282 564 | 286 617 | 296 607 |
| NET INCREASE/(DECREASE) IN CASH HELD | 68 469 | (13 467) | (17 648) | (16 376) | 61 766 | (22 961) | (17 593) | (16 690) | 63 709 | (17 539) | (16 882) | (11 231) | 43 558 | 48 625 | 34 671 |
| Cash/cash equivalents at the month/year begin: | 95 497 | 163 966 | 150 499 | 132 852 | 116 476 | 178 242 | 155 280 | 137 688 | 120 998 | 184 707 | 167 167 | 150 285 | 95 497 | 139 055 | 187 679 |
| Cash/cash equivalents at the month/year end: | 163 966 | 150 499 | 132 852 | 116 476 | 178 242 | 155 280 | 137 688 | 120 998 | 184 707 | 167 167 | 150 285 | 139 055 | 139 055 | 187 679 | 222 350 |

2.9 Annual budgets and SDBIPs – internal departments

2.10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.11 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table SA 34a - Capital expenditure on new assets by asset class

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | 1 | | | | | | | | | |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | |
| | | | | | | | | | | |
| Infrastructure | | - | - | - | 46 881 | 56 778 | 56 778 | 80 994 | 85 611 | 90 405 |
| Roads Infrastructure | | - | - | - | 42 481 | 52 014 | 52 014 | 51 726 | 54 674 | 57 736 |
| Roads | | | | | 42 481 | 52 014 | 52 014 | 51 726 | 54 674 | 57 736 |
| Electrical Infrastructure | | - | - | - | 3 650 | 3 814 | 3 814 | 14 112 | 14 917 | 15 752 |
| HV Transmission Conductors | | | - | | 3 650 | 3 814 | 3 814 | 4 500 | 4 757 | 5 023 |
| MV Substations | | | | | | | | 9 612 | 10 160 | 10 729 |
| Water Supply Infrastructure | | - | - | - | - | - | - | 5 000 | 5 285 | 5 581 |
| Water Treatment Works | | | | | | | | 5 000 | 5 285 | 5 581 |
| Sanitation Infrastructure | | - | - | - | - | - | - | 9 356 | 9 889 | 10 443 |
| Reticulation | | | | | | | | 9 356 | 9 889 | 10 443 |
| Solid Waste Infrastructure | | - | - | - | 750 | 950 | 950 | 800 | 846 | 893 |
| Waste Drop-off Points | | | | | 750 | 950 | 950 | 800 | 846 | 893 |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| Community Assets | | - | - | - | 1 864 | 1 222 | 1 222 | 1 012 | 1 070 | 1 130 |
| Community Facilities | | - | - | - | 1 864 | 1 222 | 1 222 | 1 012 | 1 070 | 1 130 |
| Halls | | | | | 1 864 | 1 222 | 1 222 | 219 | 231 | 244 |
| Police | | | | | | | - | 793 | 838 | 885 |
| | | | | | | | | | | |
| Investment properties | | - | - | - | - | 2 900 | 2 900 | - | - | - |
| Revenue Generating | | - | - | - | - | 2 900 | 2 900 | - | - | - |
| Improved Property | | | | | | 2 900 | 2 900 | | | |
| Other assets | | - | - | - | 4 627 | - | - | 2 660 | 2 812 | 2 969 |
| Operational Buildings | | - | - | - | 4 627 | - | - | 2 660 | 2 812 | 2 969 |
| Municipal Offices | | | | | 4 627 | | - | 2 660 | 2 812 | 2 969 |
| Furniture and Office Equipment | | - | - | - | - | 3 234 | 3 234 | 2 712 | 2 867 | 3 027 |
| Furniture and Office Equipment | | | | | | 3 234 | 3 234 | 2 712 | 2 867 | 3 027 |
| Transport Assets | | - | - | - | - | - | - | 800 | 846 | 893 |
| Transport Assets | | | | | | | | 800 | 846 | 893 |
| | | | | | | | | | | |
| Total Capital E | 1 | - | - | - | 53 372 | 64 134 | 64 134 | 88 178 | 93 205 | 98 424 |

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | - | - | - | 12 606 | 10 680 | 10 680 | 15 055 | 15 913 | 16 804 |
| Roads Infrastructure | | - | - | - | 10 314 | 7 083 | 7 083 | 10 454 | 11 050 | 11 669 |
| Roads | | | | | 10 314 | 7 083 | 7 083 | 10 454 | 11 050 | 11 669 |
| Electrical Infrastructure | | - | - | - | 1 842 | 3 146 | 3 146 | 3 803 | 4 019 | 4 244 |
| HV Transmission Conductors | | | | | 1 842 | 3 146 | 3 146 | 3 803 | 4 019 | 4 244 |
| Solid Waste Infrastructure | | - | - | - | 451 | 451 | 451 | 798 | 843 | 891 |
| Waste Drop-off Points | | | | | 451 | 451 | 451 | 798 | 843 | 891 |
| Community Assets | | - | - | - | 1 206 | 2 408 | 2 408 | 2 350 | 2 484 | 2 623 |
| Community Facilities | | - | - | - | 1 206 | 2 408 | 2 408 | 624 | 659 | 696 |
| Halls | | | | | 1 206 | 2 408 | 2 408 | | | |
| Police | | | | | | | | 92 | 97 | 103 |
| Other assets | | - | - | - | 2 830 | 3 404 | 3 404 | 2 926 | 3 093 | 3 266 |
| Operational Buildings | | - | - | - | 2 830 | 3 404 | 3 404 | 2 926 | 3 093 | 3 266 |
| Municipal Offices | | | | | 2 830 | 3 404 | 3 404 | 2 926 | 3 093 | 3 266 |
| Furniture and Office Equipment | | - | - | - | - | - | - | 1 267 | 1 339 | 1 414 |
| Furniture and Office Equipment | | | | | | | | 1 267 | 1 339 | 1 414 |
| Transport Assets | | - | - | - | - | - | - | - | - | - |
| Transport Assets | | | | | | | | | | |
| Total Repairs and maintenance | 1 | - | - | - | 16 643 | 16 492 | 16 492 | 21 597 | 22 828 | 24 107 |

| Vote Description R thousand | Ref | 2017/18 Medium Term Revenue & Expenditure Framework | | | Forecasts | | | |
|-----------------------------------|-----|---|------------------------|------------------------|------------------|------------------|------------------|---------------|
| | | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Present value |
| Capital expenditure | 1 | | | | | | | |
| Vote 2 - [NAME OF VOTE 2] | | 3 673 | 3 882 | 4 100 | | | | |
| Vote 3 - [NAME OF VOTE 3] | | 2 190 | 2 315 | 2 444 | | | | |
| Vote 4 - [NAME OF VOTE 4] | | 1 812 | 1 915 | 2 023 | | | | |
| Vote 5 - [NAME OF VOTE 5] | | 31 735 | 33 544 | 35 422 | | | | |
| Vote 6 - [NAME OF VOTE 6] | | 48 459 | 51 221 | 54 091 | | | | |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | | | | |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | | | | |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | | | | |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | | | | |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | | | | |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | | | | |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | | | | |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | | | | |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | | | | |
| Capital multi-year expenditure s | | 88 178 | 93 204 | 98 424 | | | | |
| List entity summary if applicable | | | | | | | | |
| Total Capital Expenditure | | 176 046 | 186 081 | 196 504 | - | - | - | - |
| | | | | | | | | |
| | | | | | | | | |
| Net Financial Implications | | 176 046 | 186 081 | 196 504 | - | - | - | - |

Table SA36 - Detailed capital budget per municipal vote

| Municipal Vote/Capital project | Ref | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No) | Asset Class | Asset Sub-Class | GPS co-ordinates | Total Project Estimate | Prior year outcomes | | 2017/18 Medium Term Revenue & Expenditure Framework | | | Project Information | |
|--|-----|-----------------------------|----------------|-----------------|--------------------------------|-------------|-----------------|-----------------------|------------------------|-------------------------|---|---|------------------------|------------------------|---------------------|----------------|
| | | | | | | | | | | Audited Outcome 2015/16 | Current Year 2016/17 Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 | Ward location | New or renewal |
| Parent municipality: <i>List all capital projects grouped by Municipal Vote</i> | | | | | | | | | | | | | | | | |
| Executive and Council | | | | | | | | | | 197 | 1 990 | 309 | 327 | 345 | Adm office | New |
| Budget & Treasury Office | | | | | | | | | | 11 830 | 2 700 | 3 673 | 3 882 | 4 100 | Adm office | New |
| Corporate Services | | | | | | | | | | 1 059 | 749 | 2 190 | 2 315 | 2 444 | Adm office | New |
| Electrical infrastructure | | | | | | | | | | | | 9 612 | 10 160 | 10 729 | 9 | New |
| Sanitation infrastructure | | | | | | | | | | | | 9 356 | 9 889 | 10 443 | 9 | New |
| Water infrastructure | | | | | | | | | | | | 5 000 | 5 285 | 5 581 | 9 | New |
| Roads infrastructure | | | | | | | | | | | | 6 667 | 7 047 | 7 442 | 9 | New |
| SMME development | | | | | | | | | | | | 1 000 | 1 057 | 1 116 | 9 | New |
| Strategic office furniture | | | | | | | | | | | | 100 | 106 | 112 | 9 | New |
| Community Services | | | | | | | | | | 1 573 | 2 172 | 1 812 | 1 915 | 2 023 | 9 | New |
| Roads infrastructure | | | | | | | | | | | | | | | | |
| Construction of Nkolosane Access Road | | | | | | | | -31.1637222; 28.4775 | | | 3 500 | 2 333 | 2 466 | 2 604 | 6 | New |
| Construction of Vuvu- Nkumandeni Access Road | | | | | | | | -30.6080556; 28.2439 | | | 5 879 | | | | 1 | New |
| Construction of Nkalweni Community Hall | | | | | | | | -31.317222; 28.419306 | | | 2 000 | 2 620 | 2 770 | 2 925 | 2 | New |
| Construction of Ugle Sports Field | | | | | | | | -31.195; 28.246 | | | 2 013 | 5 580 | 5 898 | 11 329 | 2 | New |
| Construction of Tsitsa River to Sophania Access Road | | | | | | | | -31.244; 28.41 | | | 3 719 | 602 | 637 | 672 | 3 | New |
| Construction of Mbidlana Access Road | | | | | | | | -31.001; 28.542 | | | 3 274 | | | | 11 | New |
| Construction of Mpindweni to Gamakhulu Access Road | | | | | | | | | | | 3 924 | | | | 9 | New |
| Upgrading of Sonwabile to Old Location Road and Stormwater | | | | | | | | -31.072; 28.359 | | | 990 | 6 037 | 2 288 | (4 930) | 3 | New |
| Mjikweni Access Road & Bridge (Phase 2) | | | | | | | | -31.074; 28.369 | | | 3 400 | 704 | 744 | 786 | 17 | New |
| Upgrading of Sithole Streets & Stormwater | | | | | | | | -31.083; 28.373 | | | 400 | 3 640 | 4 800 | 2 892 | 3 | New |
| Upgrading of Vincent Streets & Stormwater | | | | | | | | -30.458; 28.456 | | | 400 | 3 584 | 6 929 | 5 510 | 9 | New |
| Construction of T74 via Mohoabatsane to Khohlong Access Road | | | | | | | | -31.229; 28.566 | | | 200 | 3 480 | 3 657 | 3 861 | 3 | New |
| Construction of Lower Ngxaza to Qolombana Access Road | | | | | | | | -31.073; 28.362 | | | 2 000 | | | | | New |
| Construction of TV Park Sports Field | | | | | | | | | | | 3 689 | 2 000 | 2 114 | 2 232 | | New |
| Iliso lomzi community centre | | | | | | | | | | | | 4 500 | 4 757 | 5 023 | 9 | New |
| Completion of Mt Fletcher sports fields | | | | | | | | | | | | 1 048 | 1 107 | 1 169 | 9 | New |
| Completion of Hopedale sports field | | | | | | | | | | | | 1 500 | 1 586 | 1 674 | | New |
| Electricity | | | | | | | | | | | | 1 979 | 2 092 | 8 438 | | New |
| Network upgrading | | | | | | | | | | | | 1 862 | 1 968 | 2 078 | | New |
| High Mast lights | | | | | | | | | | | | 1 951 | 2 063 | 2 178 | | New |
| Streets lights | | | | | | | | | | | | 655 | 692 | 731 | | New |
| Other office equipment | | | | | | | | | | | | 4 404 | 4 655 | 4 916 | | |
| Parent Capital expenditure | 1 | | | | | | | | | | | 88 178 | 93 205 | 98 424 | | |

Table SA37: Detailed capital budget per municipal vote (continued)

| Municipal Vote/Operational project | Ref | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No) | Asset Class | Asset Sub-Class | GPS co-ordinates | Total Project Estimate | Prior year outcomes | | 2017/18 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|-----|--|----------------|-----------------|--------------------------------|-------------|-----------------|------------------------|------------------------|-------------------------|---|---|------------------------|------------------------|---------------------|
| R thousand | 4 | | | | 6 | | | 5 | | Audited Outcome 2015/16 | Current Year 2016/17 Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 | Ward location |
| Parent municipality: List all operational projects grouped by Municipal Vote | | | | | | | | | | | | | | | |
| | | Construction of Nkolosane Access Road | | | | | | -31.1637222; 28.4775 | | | 3 500 | 4 713 | | | 6 |
| | | Construction of Nkalweni Community Hall | | | | | | -31.317222; 28.419306 | | | 2 000 | 2 000 | | | 1 |
| | | Construction of Ugie Sports Field | | | | | | -31.195; 28.246 | | | 2 013 | 2 500 | | | 2 |
| | | Construction of Tsitsa River to Sophania Access Road | | | | | | -31; 28.542 | | | 3 719 | 1 610 | | | 7 |
| | | Upgrading of Sonwabile to Old Location Road and Stormwater | | | | | | -31.072; 28.359 | | | 990 | 8 372 | 7 299 | | 3 |
| | | Mjikweni Access Road & Bridge (Phase 2) | | | | | | -31.072; 28.359 | | | 3 400 | 1 733 | | | 11 |
| | | Construction of Ilisolomzi Community Centre | | | | | | -30.6915417; 28.499122 | | | | 4 500 | | | 9 |
| | | Upgrading of Sithole Streets & Stormwater | | | | | | -31.074; 28.369 | | | 400 | 2 976 | 4 800 | 3 556 | 3 |
| | | Upgrading of Vincent Streets & Stormwater | | | | | | -31.083; 28.373 | | | 400 | 2 916 | 6 929 | 6 178 | 17 |
| | | Construction of T74 via Mohoabatsane to Khohlong Access Road | | | | | | -30.458; 28.456 | | | 200 | 3 460 | | | 13 |
| | | Completion of Mt. Fletcher Sports Field | | | | | | -30.6861; 28.4992 | | | | 1 048 | | | 9 |
| | | Construction of TV Park Sports Field | | | | | | -31.073; 28.362 | | | 3 689 | 1 780 | | | 3 |
| Parent operational expenditure | 1 | | | | | | | | | | | 37 608 | 19 028 | 9 734 | |

Table SA38: Detailed capital budget per municipal vote (continued)

| Municipal Vote/Capital project | Ref. | Project name | Project number | Asset Class 3 | Asset Sub-Class 3 | GPS co-ordinates 4 | Previous target year to complete | Current Year 2016/17 | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|------|--|----------------|---------------|-------------------|-----------------------|----------------------------------|----------------------|--------------------|---|------------------------|------------------------|
| R thousand | 1,2 | | | | | | Year | Original Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Parent municipality: <i>List all capital projects grouped by Municipal Vote</i> | | | | | | | | | | | | |
| | | | | Examples | Examples | | | | | | | |
| | | Construction of Nkolosane Access Road | | | | -31.1637222; 28.4775 | | 5 880 | 5 880 | 2 333 | 2 466 | 2 604 |
| | | Construction of Vuvu- Nkumandeni Access Road | | | | -30.6080556; 28.2439 | | 5 879 | 5 879 | | - | - |
| | | Construction of Nkalweni Community Hall | | | | -31.317222; 28.419306 | | 1 380 | 1 380 | 2 000 | 2 114 | 2 232 |
| | | Construction of Ugie Sports Field | | | | -31.195; 28.246 | | 1 267 | 1 267 | 5 580 | 5 898 | 6 229 |
| | | Construction of Tsitsa River to Sophania Access Road | | | | -31; 28.542 | | 4 727 | 4 727 | 602 | 637 | 672 |
| | | Construction of Mbidlana Access Road | | | | -31.244; 28.41 | | 3 274 | 3 274 | | - | - |
| | | Construction of Mpindweni to Gamakhulu Access Road | | | | -31.001; 28.542 | | 3 924 | 3 924 | | - | - |
| | | Upgrading of Sonwabile to Old Location Road and Stormwater | | | | -31.072; 28.359 | | 990 | 990 | 6 037 | 9 634 | 10 173 |
| | | Mjikweni Access Road & Bridge (Phase 2) | | | | -31.072; 28.359 | | 4 285 | 4 285 | 704 | | - |
| | | Upgrading of Sithole Streets & Stormwater | | | | -31.074; 28.369 | | 400 | 400 | | 4 800 | 5 069 |
| | | Upgrading of Vincent Streets & Stormwater | | | | -31.083; 28.373 | | 400 | 400 | | 6 929 | 7 317 |
| | | Construction of T74 via Mohoabatsane to Khohlong Access Road | | | | -30.458; 28.456 | | 200 | 200 | | - | - |
| | | Construction of Lower Ngxaza to Qolombana Access Road | | | | -31.229; 28.566 | | 500 | 500 | | - | - |
| | | Completion of Mt sports field | | | | | | | | 1 048 | 1 107 | 1 169 |
| | | Completion of Hopedale sports field | | | | | | | | 1 500 | 1 586 | 1 674 |
| | | Construction of TV Park Sports Field | | | | -31.073; 28.362 | | 3 000 | 3 000 | 2 000 | 2 114 | 2 232 |

2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns two have been appointed permanently from May 2017. The remaining three, their contracts are still valid, and extension for one year has been granted by National Treasury. Since the introduction of the Internship programme the Municipality has successfully employed and trained 14 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalized after approval of the 2017/18 MTREF in June 2017 directly aligned and informed by the 2018/19 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality's internal centre and training is ongoing.
8. Policies
Budget related policies are reviewed on yearly basis.

2.13 Other supporting documents

Table SA1 - Supporting detail to budgeted financial performance

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | |
| REVENUE ITEMS: | | | | | | | | | | | |
| Property rates | 6 | | | | | | | | | | |
| Total Property Rates | | | | | 16 119 | 20 605 | 20 605 | 20 635 | 21 924 | 23 174 | 24 471 |
| less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) | | | | | | 2 932 | 2 932 | — | 3 120 | 3 297 | 3 482 |
| Net Property Rates | | — | — | — | 16 119 | 17 673 | 17 673 | 20 635 | 18 804 | 19 876 | 20 989 |
| Service charges - electricity revenue | 6 | | | | | | | | | | |
| Total Service charges - electricity revenue | | | | | 24 586 | 22 928 | 22 928 | 19 177 | 27 071 | 28 614 | 30 216 |
| less Revenue Foregone (in excess of 50 kwh per indigent household per month) | | | | | | | | | | | |
| less Cost of Free Basis Services (50 kwh per indigent household per month) | | — | — | — | — | — | — | — | 2 751 | 2 908 | 3 071 |
| Net Service charges - electricity revenue | | — | — | — | 24 586 | 22 928 | 22 928 | 19 177 | 24 320 | 25 706 | 27 145 |
| Service charges - water revenue | 6 | | | | | | | | | | |
| Total Service charges - water revenue | | | | | | | | | | | |
| less Revenue Foregone (in excess of 6 kilolitres per indigent household per month) | | | | | | | | | | | |
| less Cost of Free Basis Services (6 kilolitres per indigent household per month) | | — | — | — | — | — | — | — | — | — | — |
| Net Service charges - water revenue | | — | — | — | — | — | — | — | — | — | — |
| Service charges - sanitation revenue | | | | | | | | | | | |
| Total Service charges - sanitation revenue | | | | | | | | | | | |
| less Revenue Foregone (in excess of free sanitation service to indigent households) | | | | | | | | | | | |
| less Cost of Free Basis Services (free sanitation service to indigent households) | | — | — | — | — | — | — | — | — | — | — |
| Net Service charges - sanitation revenue | | — | — | — | — | — | — | — | — | — | — |
| Service charges - refuse revenue | 6 | | | | | | | | | | |
| Total refuse removal revenue | | | | | 4 748 | 4 675 | 4 675 | 3 901 | 4 975 | 5 258 | 5 553 |
| Total landfill revenue | | | | | | | | | | | |
| less Revenue Foregone (in excess of one removal a week to indigent households) | | | | | | | | | | | |
| less Cost of Free Basis Services (removed once a week to indigent households) | | — | — | — | — | — | — | — | 2 231 | 2 358 | 2 490 |
| Net Service charges - refuse revenue | | — | — | — | 4 748 | 4 675 | 4 675 | 3 901 | 2 744 | 2 900 | 3 063 |
| Other Revenue by source | | | | | | | | | | | |
| Fuel Levy | | | — | — | | | | | | | |
| Other Revenue | | | | | 80 355 | 110 809 | 110 809 | 2 407 | 123 303 | 133 747 | 156 904 |
| Building plans inspection fees | | | | | | | | | 123 | 130 | 138 |
| Cemetery fees | | | | | | | | | 12 | 12 | 13 |
| Pound fees | | | | | | | | | 119 | 127 | 134 |
| Tender document sales | | | | | | | | | 96 | 101 | 101 |
| Billboards income | | | | | | | | | | | |
| Clearance certificate | | | | | | | | | | | |
| Commission | | | | | | | | | 2 | 2 | 2 |
| Fire services | | | | | | | | | | | |
| Insurance refunds | | | | | | | | | 210 | 222 | 234 |
| Lgssb income | 3 | | | | | | | | 117 | 124 | 131 |
| Total 'Other' Revenue | 1 | — | — | — | 80 355 | 110 809 | 110 809 | 2 407 | 123 982 | 134 466 | 157 657 |
| EXPENDITURE ITEMS: | | | | | | | | | | | |
| Employee related costs | 2 | | | | | | | | | | |
| Basic Salaries and Wages | | | | | 84 771 | 78 777 | 78 777 | 63 897 | 63 218 | 66 821 | 70 563 |
| Pension and UIF Contributions | | | | | | | | | 11 453 | 12 106 | 12 784 |
| Medical Aid Contributions | | | | | | | | | 3 878 | 4 099 | 4 329 |
| Overtime | | | | | | | | | — | — | — |
| Performance Bonus | | | | | | | | | 2 801 | 2 961 | 3 126 |
| Motor Vehicle Allowance | | | | | | | | | 3 938 | 4 162 | 4 396 |
| Cellphone Allowance | | | | | | | | | — | — | — |
| Housing Allowances | | | | | | | | | 201 | 212 | 224 |
| Other benefits and allowances | | | | | | | | | 5 752 | 6 080 | 6 421 |
| Payments in lieu of leave | | | | | | | | | | | |
| Long service awards | | | | | | | | | | | |
| Post-retirement benefit obligations | 4 | | | | | | | | | | |
| sub-total | 5 | — | — | — | 84 771 | 78 777 | 78 777 | 63 897 | 91 241 | 96 442 | 101 843 |
| Less: Employees costs capitalised to PPE | | | | | | | | | | | |
| Total Employee related costs | 1 | — | — | — | 84 771 | 78 777 | 78 777 | 63 897 | 91 241 | 96 442 | 101 843 |
| Contributions recognised - capital | | | | | | | | | | | |
| List contributions by contract | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Total Contributions recognised - capital | | — | — | — | — | — | — | — | — | — | — |
| Depreciation & asset impairment | | | | | | | | | | | |
| Depreciation of Property, Plant & Equipment | | | | | 45 736 | 45 736 | 45 736 | | 48 663 | 51 437 | 54 317 |
| Lease amortisation | | | | | | | | | | | |
| Capital asset impairment | | | | | | | | | | | |
| Depreciation resulting from revaluation of PPE | 10 | | | | | | | | | | |
| Total Depreciation & asset impairment | 1 | — | — | — | 45 736 | 45 736 | 45 736 | — | 48 663 | 51 437 | 54 317 |
| Bulk purchases | | | | | | | | | | | |
| Electricity Bulk Purchases | | | | | 23 674 | 24 040 | 24 040 | 17 673 | 24 785 | 26 198 | 27 665 |
| Water Bulk Purchases | | | | | | | | | | | |
| Total bulk purchases | 1 | — | — | — | 23 674 | 24 040 | 24 040 | 17 673 | 24 785 | 26 198 | 27 665 |
| Transfers and grants | | | | | | | | | | | |
| Cash transfers and grants | | — | — | — | 5 701 | 5 911 | 5 911 | 5 088 | — | — | — |
| Non-cash transfers and grants | | — | — | — | — | — | — | — | — | — | — |
| Total transfers and grants | 1 | — | — | — | 5 701 | 5 911 | 5 911 | 5 088 | — | — | — |
| Contracted services | | | | | | | | | | | |
| Internal audit | | | | | | 10 348 | 10 348 | 4 099 | 1 429 | 1 511 | 1 595 |
| Legal costs | | | | | | | | | 1 134 | 1 199 | 1 266 |
| Insurance | | | | | | | | | 724 | 765 | 808 |
| Debt collection costs | | | | | | | | | 1 072 | 1 133 | 1 196 |
| Professional services | | | | | | | | | 703 | 743 | 785 |
| Valuation fees | | | | | | | | | 2 000 | 2 114 | 2 232 |
| Security cost | | | | | | | | | 2 696 | 2 807 | 2 964 |
| Virtual private network | | | | | | | | | 600 | 634 | 670 |
| Solid waste contracted services | | | | | | | | | 2 704 | 2 858 | 3 018 |
| Rent office equipment | | | | | | | | | 815 | 861 | 910 |
| sub-total | 1 | — | — | — | — | 10 348 | 10 348 | 4 099 | 13 836 | 14 625 | 15 444 |
| Allocations to organs of state: | | | | | | | | | | | |
| Electricity | | | | | | | | | | | |
| Water | | | | | | | | | | | |
| Sanitation | | | | | | | | | | | |
| Other | | | | | 2 541 | | | | | | |
| Total contracted services | | — | — | — | 2 541 | 10 348 | 10 348 | 4 099 | 13 836 | 14 625 | 15 444 |
| Other Expenditure By Type | | | | | | | | | | | |
| Collection costs | | | | | | | | | 133 | 141 | 148 |
| Contributions to 'other' provisions | | | | | | | | | — | — | — |
| Consultant fees | | | | | | | | | 3 694 | 3 904 | 4 123 |
| Audit fees | | | | | | | | | 5 107 | 5 398 | 5 701 |
| General expenses | 3 | | | | | | | | | | |
| List Other Expenditure by Type | | | | | 77 718 | 89 193 | 89 193 | 47 438 | 34 604 | 36 577 | 38 625 |
| Subsistence & Travelling | | | | | | | | | 9 245 | 9 772 | 10 319 |

Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

| Description | Ref | Vote 1 - Executive & Council | Vote 2 - Budget & Treasury | Vote 3 - Corporate services | Vote 4 - Community Services | Vote 5 - Strategic Planning & Development | Vote 6 - Infrastructure Development & Planning | Vote 7 - [NAME OF VOTE 7] | Vote 8 - [NAME OF VOTE 8] | Vote 9 - [NAME OF VOTE 9] | Vote 10 - [NAME OF VOTE 10] | Vote 11 - [NAME OF VOTE 11] | Vote 12 - [NAME OF VOTE 12] | Vote 13 - [NAME OF VOTE 13] | Vote 14 - [NAME OF VOTE 14] | Vote 15 - [NAME OF VOTE 15] | Total |
|---|-----|------------------------------------|----------------------------------|-----------------------------------|-----------------------------------|--|---|------------------------------|------------------------------|------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------|
| R thousand | 1 | | | | | | | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | | | | | | | |
| Property rates | | – | 21 924 | – | – | – | – | | | | | | | | | | 21 924 |
| Service charges - electricity revenue | | – | – | – | – | – | 27 248 | | | | | | | | | | 27 248 |
| Service charges - water revenue | | – | – | – | – | – | – | | | | | | | | | | – |
| Service charges - sanitation revenue | | – | – | – | – | – | – | | | | | | | | | | – |
| Service charges - refuse revenue | | – | – | – | 4 975 | – | – | | | | | | | | | | 4 975 |
| Service charges - other | | – | – | – | – | – | – | | | | | | | | | | – |
| Rental of facilities and equipment | | – | – | – | – | – | – | | | | | | | | | | – |
| Interest earned - external investments | | – | 1 596 | – | – | – | – | | | | | | | | | | 1 596 |
| Interest earned - outstanding debtors | | – | 1 899 | – | – | – | – | | | | | | | | | | 1 899 |
| Dividends received | | – | – | – | – | – | – | | | | | | | | | | – |
| Fines, penalties and forfeits | | – | 67 | – | 42 | – | – | | | | | | | | | | 109 |
| Licences and permits | | – | – | – | 2 418 | – | – | | | | | | | | | | 2 418 |
| Agency services | | – | – | – | – | – | – | | | | | | | | | | – |
| Other revenue | | – | 43 999 | – | 266 | 123 | 95 959 | | | | | | | | | | 140 347 |
| Transfers and subsidies | | – | 135 816 | – | 656 | – | 2 649 | | | | | | | | | | 139 121 |
| Gains on disposal of PPE | | – | – | – | – | – | – | | | | | | | | | | – |
| Total Revenue (excluding capital transfers and contributions) | | – | 205 301 | – | 8 357 | 123 | 125 856 | – | – | – | – | – | – | – | – | – | 339 637 |
| Expenditure By Type | | | | | | | | | | | | | | | | | |
| Employee related costs | | 9 979 | 12 271 | 15 214 | 23 837 | 7 290 | 16 066 | | | | | | | | | | 84 656 |
| Remuneration of councillors | | 15 016 | – | – | – | – | – | | | | | | | | | | 15 016 |
| Debt impairment | | – | 6 499 | – | 425 | – | 2 076 | | | | | | | | | | 9 000 |
| Depreciation & asset impairment | | – | 9 896 | – | – | – | 38 767 | | | | | | | | | | 48 663 |
| Finance charges | | – | 53 | – | – | – | – | | | | | | | | | | 53 |
| Bulk purchases | | – | – | – | – | – | 24 785 | | | | | | | | | | 24 785 |
| Other materials | | 218 | 2 926 | 377 | 3 298 | – | 10 424 | | | | | | | | | | 17 243 |
| Contracted services | | 2 563 | 9 188 | 4 196 | 2 704 | – | 426 | | | | | | | | | | 19 076 |
| Transfers and subsidies | | – | 1 307 | – | 2 231 | – | 2 751 | | | | | | | | | | 6 289 |
| Other expenditure | | 15 785 | 15 492 | 16 742 | 4 606 | 5 192 | 39 083 | | | | | | | | | | 96 900 |
| Loss on disposal of PPE | | – | – | – | – | – | – | | | | | | | | | | – |
| Total Expenditure | | 43 562 | 57 633 | 36 529 | 37 100 | 12 482 | 134 377 | – | – | – | – | – | – | – | – | – | 321 682 |
| Surplus/(Deficit) | | (43 562) | 147 668 | (36 529) | (28 742) | (12 358) | (8 522) | – | – | – | – | – | – | – | – | – | 17 955 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | – | – | – | – | 30 636 | 39 587 | | | | | | | | | | 70 223 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | | | | | | | | | | | | | | | | – |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | | | | | | | | | | – |
| Surplus/(Deficit) after capital transfers & contributions | | (43 562) | 147 668 | (36 529) | (28 742) | 18 277 | 31 065 | – | – | – | – | – | – | – | – | – | 88 178 |

Table SA3 – Supporting detail to Statement of Financial Position

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| <u>Call investment deposits</u> | | | | | | | | | | | |
| Call deposits | | | | | 69 865 | 70 238 | 70 238 | 90 043 | 82 104 | 86 784 | 91 644 |
| Other current investments | | | – | – | | | | | 7 938 | 8 391 | 8 861 |
| Total Call investment deposits | 2 | – | – | – | 69 865 | 70 238 | 70 238 | 90 043 | 90 043 | 95 175 | 100 505 |
| <u>Consumer debtors</u> | | | | | | | | | | | |
| Consumer debtors | | | | | 3 556 | 13 640 | 13 640 | 6 152 | 6 252 | 6 609 | 6 979 |
| Less: Provision for debt impairment | | | | | | | | | | | |
| Total Consumer debtors | 2 | – | – | – | 3 556 | 13 640 | 13 640 | 6 152 | 6 252 | 6 609 | 6 979 |
| <u>Debt impairment provision</u> | | | | | | | | | | | |
| Balance at the beginning of the year | | | | | | | | | | | |
| Contributions to the provision | | | | | | | | | | | |
| Bad debts written off | | | | | | | | | | | |
| Balance at end of year | | – | – | – | – | – | – | – | – | – | – |
| <u>Property, plant and equipment (PPE)</u> | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | | | | | 319 172 | 338 961 | 338 961 | 338 960 | 338 961 | 358 282 | 378 345 |
| Leases recognised as PPE | | | | | | | | | | | |
| Less: Accumulated depreciation | | | | | | | | | | | |
| Total Property, plant and equipment (PPE) | 2 | – | – | – | 319 172 | 338 961 | 338 961 | 338 960 | 338 961 | 358 282 | 378 345 |
| LIABILITIES | | | | | | | | | | | |
| <u>Current liabilities - Borrowing</u> | | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | | | | 69 | 946 | 946 | | – | – | – |
| Current portion of long-term liabilities | | | | | | | | | | | |
| Total Current liabilities - Borrowing | | – | – | – | 69 | 946 | 946 | – | – | – | – |
| <u>Trade and other payables</u> | | | | | | | | | | | |
| Trade and other creditors | | | | | – | 29 450 | 29 450 | 47 281 | 24 672 | 26 079 | 27 539 |
| Unspent conditional transfers | | | | | 31 543 | | – | | 22 609 | 23 897 | 25 235 |
| VAT | | | | | | | | | | | |
| Total Trade and other payables | 2 | – | – | – | 31 543 | 29 450 | 29 450 | 47 281 | 47 281 | 49 976 | 52 775 |
| <u>Non current liabilities - Borrowing</u> | | | | | | | | | | | |
| Borrowing | | | | | | | | 956 | 956 | 1 010 | 1 067 |
| Finance leases (including PPP asset element) | | | | | | | | | | | |
| Total Non current liabilities - Borrowing | 4 | – | – | – | – | – | – | 956 | 956 | 1 010 | 1 067 |
| <u>Provisions - non-current</u> | | | | | | | | | | | |
| Retirement benefits | | | | – | – | 11 156 | 11 156 | 11 156 | 11 156 | 11 792 | 12 452 |
| List other major provision items | | | | | | | | | | | |
| Refuse landfill site rehabilitation | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Total Provisions - non-current | | – | – | – | – | 11 156 | 11 156 | 11 156 | 11 156 | 11 792 | 12 452 |
| CHANGES IN NET ASSETS | | | | | | | | | | | |
| <u>Accumulated Surplus/(Deficit)</u> | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) - opening balance | | | | | 396 876 | 426 474 | 426 474 | | 419 267 | 443 165 | 467 982 |
| GRAP adjustments | | | | | | | | | | | |
| Restated balance | | – | – | – | 396 876 | 426 474 | 426 474 | – | 419 267 | 443 165 | 467 982 |
| Surplus/(Deficit) | | – | – | – | 53 372 | 64 134 | 64 134 | 64 311 | 88 178 | 93 204 | 98 424 |
| Appropriations to Reserves | | | | | | | | | | | |
| Transfers from Reserves | | | | | | | | | | | |
| Depreciation offsets | | | | | | | | | | | |
| Other adjustments | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | 1 | – | – | – | 450 248 | 490 608 | 490 608 | 64 311 | 507 445 | 536 369 | 566 406 |
| <u>Reserves</u> | | | | | | | | | | | |
| Housing Development Fund | | | | | | | | | | | |
| Capital replacement | | | | | | | | | | | |
| Self-insurance | | | | | | | | | | | |
| Other reserves | | | | | | | | | | | |
| Revaluation | | | | | | | | | | | |
| Total Reserves | 2 | – | – | – | – | – | – | – | – | – | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | – | – | – | 450 248 | 490 608 | 490 608 | 64 311 | 507 445 | 536 369 | 566 406 |

2.14 Municipal manager's quality certificate

I, municipal manager of Elundini Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of Elundini Municipality (EC141)

Signature _____

Date _____